ASIA'S BOUTIQUE AIRLINE

ANNUAL REPORT 2015

BANGKOK AIRWAYS PUBLIC COMPANY LIMITED


Enjoy special moments
on a journey with Bangkok Airways


Bangkok Airways
ASIA'S BOUTIQUE AIRLINE
Fly Boutique.
Feel Unique.

Contents

BANGKOK AIRWAYS PUBLIC COMPANY LIMITED

ANNUAL REPORT

2015

Message from the Chairman

ACM. Kaset. Rochananil

Air Chief Marshal Kaset Rochananil

Chairman

Amidst a surge in competition in the commercial aviation industry, all players have significantly revised their strategies by creating more and more competitive edge for their products and services. Amongst the ubiquitous selling points, airlines compete to provide passengers with numerous price options and multitudes of easy access points of sales. These are the main contributing factors that have allowed the number of passengers to grow over the years. Approaching its 48th Anniversary, Thailand's first privately-owned airline; Bangkok Airways Public Company Limited, has also made a strategically move to strengthen the company's regional competitive edge by expanding its route network through various code-share agreements with airline partners which have successfully been carried out in order to heighten our competitiveness in the regional level.

Apart from that, the company has leveraged our safety standard to be conforming to international certification standards. Back in 2002, the company joined IATA as an ordinary member. By becoming a member, the company has entered a certification of international air transport safety standard in Operational Safety Audit or (IOSA), which is safety management quality certification system of International Air Transport Association or (IATA). The company remains its focus on developing and improving our management system, and flight operation system to achieve a high safety standard in order to be recognized by our fellow airliners around the world.

The Board of Directors and I would like to say that it was our loss that Mr. James Patrick Rooney has passed away and out of his position as an independent Director and an Audit Committee in October 2015. I'd like to thank him for having performed his duty in an exemplary level throughout his tenure in his position. His replacement, Mr. Saharat Benyakul, was appointed as an independent Director and an Audit Committee by the committee last December.

Lastly, on behalf of the Committee, the executive, and all employees; I'd like to express my gratitude to all our clients, shareholders, and business partners for the confidence given to us in running the business. I hereby give you our assurance to commit to our duties under a good governance policy, and transparency towards the company's sustainability and success for the years to come.

Message from the Chief Executive Officer

Prasert Prasarttong-Osoth

Chief Executive Officer

In 2015, the world's aviation industry saw growth in the Revenue Passenger Kilometers (RPK) of all regions at 6.5%, while the growth of the Asia Pacific Region alone was at 8.6%. Meanwhile, the Available Seat Miles (ASK) of all the regions and of the Asia Pacific Region grew by 5.6% and 6.7% respectively. The key factor contributing to such growth was that the average airfare was down from a year before by 5%. This has caused air traffic passengers jumped and subsequently, the number of flights in Asia rose by 7.3%.

In the past year of 2015, Thailand's economy grew by 2.8%, in spite of several stimulating measures from the government including the sizeable budget spent on infrastructure and the expanding tourism. The country still faced the world's ill-fated economy which is slowly rebounding and oil price plummeted. The tourism sector is, however still the key force in driving forward the country's economy. It remains strong in terms of growth with a positive trend. In 2016, the airline industry is facing more and more competition with an influx of foreign airliners into the Asia Pacific Region and Thailand.

The company's performance in 2015 saw a total revenue of 24,902.9 Million Baht, a 12.6% increase. The main reasons comprise an increasing number of passengers, an increased average airfare, and a drop in oil price. The net profit was 1,849.1 Million Baht, in which the net profit for the shareholders is 1,796.9 Million Baht and profit per share is 0.86 Baht. The company's followed the set strategy in focusing upon linking air traffics through the company's operation network, especially in Samui where the flight frequency between Samui and Chiang Mai has recently been added. Furthermore, the company has entered code-share agreements with four more airlines to expand our portfolio to cover more destinations around the world.

I'd also to share with you that we have also been given the honor of being named as the Asia Pacific Regional Airline of the Year by the Centre for Asia Pacific Aviation. This recognition is given to the airline that is regarded as the market leader in tactically and strategically responding to the constantly changing market environment. On behalf of the executives and staff members, I would like to thank all our clients, business partners, and shareholders who have always supported the company. I'd also like to thank every executive and staff member who have dedicated to their duties in driving forth the company's business to become where it is today. The executives, the staff, and I; are committed to deliver the best service to our clients under a good governance principle and make an invaluable return to society.


Care and Attention Throughout
Your Boutique Journey

General Information

Company Name	**Bangkok Airways Public Company Limited (the "Company")**
Core Business	The Company's core business are 1. Passengers airline business including freight domestically and internationally 2. Establishment of public airport and/or operate and manage public airport, rent out space including other activities relating to the establishment and operation of airport
Head Office	99 Mu 14 Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok 10900
Registration Number	0107556000183
Home Page	http://www.bangkokair.com
Telephone	(66) 2 265 5678
Facsimile	(66) 2 265 5775
Registered Capital	2,100,000,000 Baht
Paid-up Capital	2,100,000,000 Baht
A par value	a par value of 1 Baht per share The Company has registered the change of par value on 27 February 2013 from 10 baht per share to 1 baht per share, having the total shares of the Company at 2,100,000,000 shares as of 31 December 2014.
Shares Registrar	**Thailand Securities Depository Co., Ltd.** 93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindang, Bangkok 10400, Thailand
Telephone	(66) 2 009 9000
Facsimile	(66) 2 009 9991
Website	http://www.set.or.th/tsd
Company's Auditor	**EY Office Limited** 33rd Floor, Lake Rajada Office Complex, 193/136 - 137 Ratchadapisek Road, Klongtoey, Bangkok 10110
Telephone	(66) 2 264 9090
Facsimile	(66) 2 264 0789-90
Website	www.ey.com

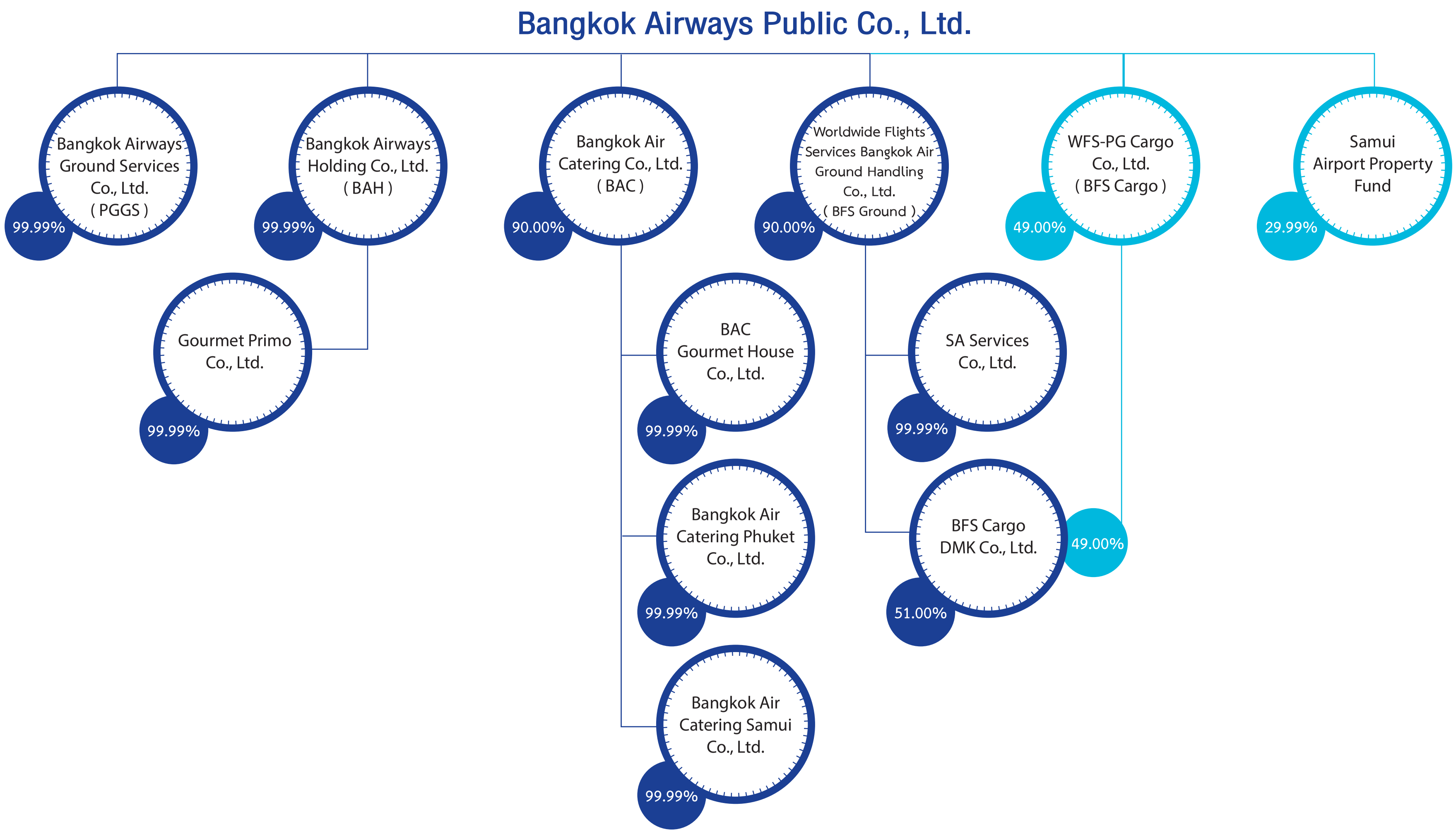
Summary Consolidated Financial and Ratio

Unit : THB million

		Year End December 31, 2015		
		2015	2014	2013
Statements of Financial Position	Total Assets	57,013	48,579	30,393
	Total Liabilities	25,917	23,147	23,201
	Total Shareholder's Equity	31,096	25,432	7,192
Statement of comprehensive Income	Revenue from airline business	19,430	17,844	16,735
	Sales and service income	3,148	2,684	2,656
	Total Revenue	24,903	22,124	20,721
	EBITDAR	5,293	4,038	4,780
	Profit for the year	1,849	386	990
Shareholder's Equity	Registered and Paid up Shares (Million share)	2,100	2,100	1,580
	Book Value (Baht)	14.7	12.1	4.6
	Earnings Per Share (Baht)	0.9	0.2	0.6
Liquidity Ratio	Current Ratio (Time)	2.4	2.5	0.8
	Quick Ratio (Time)	5.1	3.7	2.5
	Collection Period (Day)	24.8	26.8	28.0
	Stock Turnover Period (Day)	5.7	5.1	5.5
	Payment Period (Day)	32.8	33.4	34.3
Profitability Ratio	Gross Profit Margin (%)	21.1	16.5	24.4
	Operating Profit Margin (%)	12.3	8.1	13.5
	EBITDAR Margin (%)	22.0	18.6	23.1
	Net profit Margin (%)	7.4	1.7	4.8
	Return on Equity (%)	6.5	2.4	13.3
Efficiency Ratio	Return on Assets (%)	3.5	1.0	3.2
	Return on Fixed Assets (%)	32.3	15.4	24.6
	Asset Turnover (Time)	0.5	0.6	0.7
Leverage Ratio	Debt to Equity (Time)	0.8	0.9	3.2
	Interest Leverage Ratio (Time)	2.3	1.4	2.0

Corporate Structure of the Company, our Subsidiaries and Associated companies

as of December 31, 2015



Our Subsidiaries and Associated companies

We invested in subsidiaries and associated companies. The summary of the investment structure of the Company in the subsidiaries and associated companies are shown in the following table.

Company		Core Business	Paid-up capital (THB million	Investment Ratio (%)
Subsidiary Companies				
1.	Bangkok Airways Holding Co., Ltd. (BAH)	Holding shares in BGH	1,001.0	99.99
2.	Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd. (BFS Ground)	Ground service provider at the Suvarnabhumi International Airport	670.0	90.00
3.	Bangkok Airways Ground Services Co. Ltd. (PGGS)	Ground service provider at the Samui Airport	0.25	99.99
4.	SA Services Co., Ltd. [1]	Ground service provider at the Don Mueang International Airport	1.0	99.99
5.	BFS Cargo DMK Co., Ltd. [1] (BFS Cargo DMK)	Cargo terminal operation services at the Don Mueang International Airport	25.0	51.00
6.	Bangkok Air Catering Co., Ltd. (BAC)	Catering services at the Suvarnabhumi International Airport	500.0	90.00
7.	BAC Gourmet House Co., Ltd. [2]	Restaurant	25.0	99.99
8.	Bangkok Air Catering Samui Co., Ltd.	Catering services at the Samui International Airport	25.0	99.99
9.	Bangkok Air Catering Phuket Co., Ltd.[2]	Catering services at the Phuket International Airport	0.25	99.99
10.	Gourmet Primo Co., Ltd.[3]	Production and food processing	20.0	99.99
Associated Companies				
1.	WFS-PG Cargo Co., Ltd. (BFS Cargo)	Cargo terminal operation services at the Suvarnabhumi International Airport	300.0	49.00
2.	The Samui Property Fund	Investing in the holding of a 30-year lease to the assets of the Samui Airport	9,500.0	29.99

Remark :

[1] Held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.

[2] Held by Bangkok Air Catering Co., Ltd.

[3] Held by Bangkok Airways holding Co., Ltd.

Management

Board of Directors

4 5 8 9
6 3 1 2 7

1. Air Chief Marshal Kaset Rochananil
2. Mr. Prasert Prasarttong - Osoth
3. Mr. Puttipong Prasarttong - Osoth
4. Pol.Lt. Gen Visanu Prasarttong - Osoth
5. Mr. Pradit Theekakul
6. Mr. Sripop Sarasas
7. General Vichit Yathip
8. Mr. Saharat Benyakul
9. Mrs. Narumol Noi-Am

Executive Committee

1. Mr. Prasert Prasarttong-Osoth
2. Mr. Puttipong Prasarttong-Osoth
3. Mr. Pradit Theekakul
4. Mr. Anawat Leelawatwatana

3 1 2 4

Audit Committee

1. Mr. Sripop Sarasas
2. General Vichit Yathip
3. Mr. Saharat Benyakul

1 2 3

Board of Directors & Executives

Air Chief Marshal Kaset Rochananil

Chairman, Bangkok Airways PCL.

Education :

Bachelor of Science Degree,
The Royal Thai Air Force Academy

Age : 82 Years

Position in Other Company

-None-

Mr. Prasert Prasarttong-Osoth

Vice Chairman / CEO, Bangkok Airways PCL.

Education :

Bachelor of Medicine Degree, Siriraj Hospital, Mahidol University

Age : 83 Years

Position in Other Company

- Chief Executive Office / President, Bangkok Dusit Medical Services PCL.
- Director Bangkok Media & Broadcasting Co., Ltd.
- Director Bangkok Airways Holding Co., Ltd.
- Director South East Air Co., Ltd.
- Director The Sahakol Estate Co., Ltd.
- Director Thai Petroleum Services Co., Ltd.
- Director The Medic Pharma Co., Ltd.
- Director Prasatthong Osoth Co., Ltd.
- Director Paradise Shopping Co., Ltd.

Mr. Puttipong Prasarttong-Osoth

Director / President, Bangkok Airways PCL.

Education :

Bachelor of Accounting Degree, Chulalongkorn University

Age : 51 Years

Position in Other Company

- Director Bangkok Media & Broadcasting Co., Ltd.
- Director Bangkok Airways Ground Services Co., Ltd.
- Director Bangkok Airways Catering Phuket Co., Ltd.
- Director S.E.A Aviation Co., Ltd.
- Director BAC Goumet House Co., Ltd.
- Director Bangpakong Golf Club Co., Ltd.
- Director The Sahakol Estate Co., Ltd.
- Director Bangkok Helicopter services Co., Ltd.
- Director Bangkok Air Catering Co., Ltd.
- Director WFS-PG Cargo Co., Ltd.
- Director Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.

Pol.Lt. Gen Visanu Prasarttong - Osoth

Director, Bangkok Airways PCL.

Education :

Master of Political Science Degree, Sukhothai Tammathirat University
MBA, University of San Francisco, USA

Age : 53 Years

Position in Other Company

- Commissioner General Information and Communications Technology, Royal Thai Police
- Chairman of The Audit Committee Finansia Syrus Securities PCL.
- Director The Krungthep Thanakom Co., Ltd.
- Director Thai Kodama Co., Ltd.

Mr. Sripop Sarasas

Director / Independent Director / Chairman of The Audit Committee, Bangkok Airways PCL.

Education :

MBA, University of Southern California , USA

Age : 58 Years

Position in Other Company

- Independent Director
  Bangkok Dusit Medical Services PCL.
  Kiattana Transport PCL.
  Advance Information Technology PCL.
- Director Parute (2008) Co., Ltd.
- Director Suthakun PCL.
- Director Khan Co., Ltd.

Mr. Pradit Theekakul

Director / Executive Director / Senior President Office Director, Bangkok Airways PCL.

Education :

Bachelor of Law Degree, Chulalongkorn University
Bachelor of Political Science Degree, Ramkhamhaeng University

Age : 57 Years

Position in Other Company

- Executive Advisor to CEO
  Bangkok Dusit Medical Services PCL.
- Director Samitivej PCL.
- Director Bangkok Media & Broadcasting Co., Ltd.
- Director Bangkok Airways Catering Phuket Co., Ltd.
- Director BAC Goumet House Co., Ltd.
- Director Bangkok Air Catering Co., Ltd.
- Director Paolo Medic Co., Ltd.
- Director Bangkok Airways Holding Co., Ltd.
- Director South East Air Co., Ltd.
- Director Bangkok Air Tour Co., Ltd.
- Director Thai Petroleum Services Co., Ltd.
- Director Thai Medical Center PCL.
- Director Bangkok Gloden Life Co., Ltd.
- Director Prasit Pattana PCL.
- Director Paradise Shopping Co., Ltd.
- Director Bangkok Hospital Chiangmai Co., Ltd.
- Director WFS-PG Cargo Co., Ltd.
- Director Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.

General Vichit Yathip

Director / Independent Director / Audit Committee,
Bangkok Airways PCL.

Education :

Bachelor of Science Degree, Chulachomklao Royal Military Academy
Master of Public Administration Degree, Bangkokthonburi University

Age : 69 Years

Position in Other Company

- Advisor Tipco Asphalt PCL.
- Director Nippon Pack (Thailand) PCL.
- Director Three Sixtyfive PCL.
- Director Vanachai Group PCL.
- Director Sing Sian Yer Pao Co., Ltd.
- Director MAC Group PCL.

Mr. Saharat Benyakul[(1)]

Director / Independent Director / Audit Committee,
Bangkok Airways PCL.

Education:

MBA, Texas A&M International University, USA

Age : 51 Years

Position in Other Company

- Director Sukumvit Co., Ltd.

Remark : [(1)] was appointed as a Director according to the meeting consensus at 12/2015 on December 24th, 2015 to replace Mr. James Patrick Rooney who has been out of position earlier. He was registered as a Director at the Ministry of Commerce on January 7th, 2016.

Mr. Anawat Leelawatwatana

Executive Director/ Deputy Vice President of Finance / Corporate Secretary,
Bangkok Airways PCL.

Education :

MBA Cleveland State University, USA

Age : 49 Years

Position in Other Company

- Director Bangkok Media & Broadcasting Co., Ltd.

Mrs. Narumol Noi-Am

Director, Bangkok Airways PCL.

Education:

MBA North Texas State , USA

Age : 58 Years

Position in Other Company

- Chief Financial Officer, Bangkok Dusit Medical Services PCL.
- Director Thai Listed Companies Association
- Director Prasit Pattana PCL.
- Director Samitivej PCL.
- Director Paolo Medic Co., Ltd.
- Director Paolo Samut Prakarn Co., Ltd.
- Director Thai Medical Center PCL.

Policy and Business Overview

Vision Statement

Striving on excellence to become the best airline in Asia

Mission Statements

We are determined to become Asia's number one airline with our missions as in the followings.

1. Operational safety: Our safety mission is to continually maintain worldwide industry operational safety standards.
2. Maximizing shareholders' return on investment: Our profitability mission is to use our assets effectively in order to generate optimal and sustainable profits for all of our stakeholders.
3. We continued success depends on our customers and we promise to give them the best possible products and services available in the industry.
4. Our employees are our most important asset: we strive to have not only highly motivated staff but also the best and most productive employees in the industry.
5. Corporate accountability: We will continually adopt systems and procedures in our airline that will enhance corporate accountability, transparency and control.
6. We are proud to be a member of our community: We will increase responsibilities of good corporate citizens and continue to serve our community.

History and Corporate Milestone

Mr. Prasert Prasarttong-Osoth set up airline business in 1968. He founded in 1984 as "**Sahakol Air"** to take over the airline business which had been operating under the company named Krungthep Sahakol Co., Ltd. and later changed the name to **"Bangkok Airways"**.

We officially commenced scheduled passenger flight services in 1986 under our current name "Bangkok Airways". In 1989, we completed construction of our first airport, located in Samui, an island in the Gulf of Thailand, which was beginning to be developed as an international tourist destination. We obtained an International Air Transport Association (**"IATA"**) code, **"PG",** and commenced operations of our Samui Airport. In addition, we also received approval to fly our first route, Bangkok-Samui. In 1994, we became an IATA Clearing House member. In the same year, we added two ATR 72 to our fleet.

In 1998, we commenced operations of our second airport in Sukhothai. In 2000, we put our first Boeing 717-200 into operations. The Boeing 717-200 jet aircraft provided higher speeds and more seat capacity so we could increase capacity and reduce flight frequency. This also allowed us to expand our capacity on routes to and from Samui. In the same year, we commenced operations of our first hangar located in the Don Mueang International Airport. We also became a member of the IATA Billing and Settlement Plan (**"BSP"**). Being a member of the IATA BSP allows us to drive additional passenger sales and provides us with direct access to a distribution network of IATA. In 2002, we received full IATA membership which means that we upgraded our operations in adherence to the international commercial aviation standards under IATA Operational Safety Audit (**"IOSA"**), such membership entitles us to voting rights in respect of the fare adjustment process. In 2006, we commenced operations of our third airport in Trat.

As of 31 December 2015, the Company has a registered capital of 2,100,000,000 Baht, comprised ordinary shares of 2,100,000,000 shares, with a par value of 1 Baht per share, and the paid up capital of 2,100,000,000 Baht.

Corporate Milestones and Awards

Year	
2012	• BA adapted the corporate business structure in order to be suitable to the public share offerings and to register the ordinary shares in the Stock Exchange of Thailand. The company has sold out capital money and some of the non-airline and non-airport related businesses or the businesses that have been ceased or facing loss. This also included the estates neither involved in the airline nor the airport businesses. And other bussiness. • The company was ranked fourth in the World's Best Regional Airline from Skytrax's World Airline Awards
2013	• We marked our 45th anniversary. • The company converted into a public company limited and increased the registered capital from 1,250,000,000 Baht to 2,100,000,000 Baht by issued ordinary sharestotaled 850,000,000 shares worth 1 Baht per share to offer to the existing shareholders not more than 30,000,000 shares and offer to the general public not more than 520,000,000 shares. Also, the company approved its ordinary shares to be registered in the Stock Exchange of Thailand. • The company offered ordinary shares to the existing shareholders at 300,000,000 shares, to the employees and the board at 30,000,000 shares at the price of 10 Baht per share. The share allocations are considered by the employee's position, length of employment, and their responsibilities. • The company was ranked 2nd in Asia's Best Regional Airline in the World Airline Awards from Skytrax. • BFS Ground and BFS Cargo was awarded 2013 Frost & Sullivan Thailand Aviation Support Services Provider of The Year in 2013 Frost & Sullivan's Thailand Excellence Awards by Frost & Sullivan, a business and research consultant firm.
2014	• In 2014, the company entered a contract in aircraft leasing for nine aircraft of the type ATR72-600. The delivery due date of all the nine aircraft was from the fourth quarter of 2014 to the first quarter of 2017. The company has already filed a request with BOI to import all the mentioned aircraft. The first aircraft delivery took place in November 2014. • The company registered in the Stock Exchange of Thailand on November 3rd, 2014; under the category of Transport and Logistics in the Hospitality Industry Group. • The company was ranked 1st for the World's Best Regional Airline and Best Regional Airline in Asia from Skytrax.

Year	
2015	• The company won Asia Pacific Regional Airline of The Year from CAPA (Center for Asia Pacific Aviation). This recognition is given to the airline that is recognised as the market leader in tactically and strategically responding to the constantly changing market environment. • The company was ranked second in the World's Best Regional Airline and the Best Regional Airline in Asia from Skytrax. • The company was ranked the world's Top Ten Airline – Worldwide and ranked 5th for the Best in Cabin Service – Worldwide from the smarttravelsia.com; which is a leading travel website of Asia that carried out surveys from millions of tourists around the world under the topic **"Best in Travel 2015"**. • The company was ranked 24th among other top 50 airlines with the best performance in terms of revenue surveyed by the Airfinance Journal from the UK.

Overview

As of 31 December 2015, we operated scheduled flights on 15 domestic routes covering major cultural and leisure destinations in Thailand such as Phuket, Samui, Chiang Mai and Krabi. In addition, we operated scheduled flights on 15 international routes to destinations including Myanmar, Laos, Cambodia, Malaysia, Singapore, Hong Kong, India, Bangladesh and the Maldives. Through our code-share and other cooperative arrangements with other airlines such as Etihad Airways, Japan Airlines, Malaysia Airlines, and Silk Air, we are able to extend our reach to passengers originating from destinations including Europe, South Asia, the Middle East and Japan.

We operate from three principal hubs, the Suvarnabhumi International Airport in Bangkok and Samui International Airport in Surat Thani, which we also own and operate, and Chiang Mai International airport.

We target markets that are less than a five-hour flight time from our hubs, which give us access to passengers travelling to and from Southeast Asia and South Asia, including India. We believe that Thailand's growing economy provides an attractive market in which we can increase passenger growth as an increasing proportion of the Thai population are able to access air transport. We also believe that our premium, quality services, strong culture of hospitality and access to unique cultural and leisure destinations differentiates us from other competing airlines.

Notable events in year 2015

Route Network

We put emphasis on market development and route network expansion. To provide more direct flights to the Northeastern region in Thailand and cities in Myanmar. We focus on increasing flight frequency and introducing new routes. At the same time, to maintain our market position and strengthen our route network, we continuously seeks for new code share partners to reach out all target groups.

In order to serve our route network in the region and passenger's requirement of each route, Company added four aircrafts.

Table presented number of aircraft as of end of Year 2015 and Year 2014

Aircraft Type	As of December 31, 2015	As of December 31, 2014
Airbus A319	11	10
Airbus A320	8	8
ATR 72-500	8	8
ATR 72-600	4	1
Total	31	27

- ### New destinations and additional flights frequency

In 2015, we expanded route network to enhance current operating destinations. With this concept, company can create new products and optimize our resources. New routes and additional flight frequencies were presented as below;

Destination	No. of Flight per week	Commencement Date
New routes		
Phuket – Hat Yai	7	October 2015
Additional flights frequency to existing routes		
Samui – Phuket	42	December 2015
Samui – Singapore	12	October 2015
Samui – Kuala Lumpur	11	March 2015
Bangkok - Phuket	63	October 2015
Chiang Mai – Yangon	7	December 2015
Chiang Mai - Mandalay	4	December 2015

Product Development and Services

• Passenger lounges at the airports

The company provides lounge service to passengers on domestic departure at several airports such as the Suvarnabhumi Airport, Samui Airport, Phuket Airport, Krabi Airport, Chiang Mai Airport and Chiang Rai Airport. In 2015, the Company renovated the lounges for passengers at Luang Prabang International Airport and Phnom Penh International Airport, slated to be fully functional in mid 2016.

- ## Introducing new In-flight menu selection and at the lounges

The company provides foods during any flight service under the theme **"Tastes of Asia"**, which is inspired from the company's slogan of **"Asia's Boutique Airline"** expressed through the Thai and Asian gastronomic culture. Available on all Bangkok Airways flights (Domestic and International) originating from Suvarnabhumi Airport and flights originating from Samui Airport. Dessert or snack specially prepared during any festive occasions such as Valentine's Day, Chinese New Year, Songkran Festival and the Mother's Day is always served.

"Tastes of Asia"
"Asia's Boutique Airline"

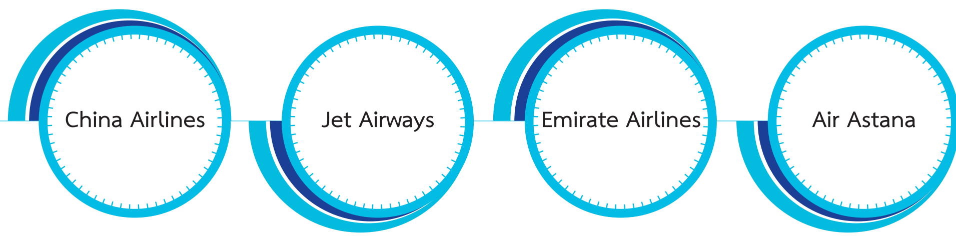
Pricing and Revenue Management

- ## Ticket Fare

With high competition in the market, we decided to maintain its fare structure and focused on expanding its connection traffic with our interline and code share partners.

- ## Code share Partners

In the year 2015, there are altogether 20 airlines who entered code-share agreement with Bangkok Airways. An increase of four more airlines from 2014 which are:



A code share agreement is to increase the amount of passengers in the network the flight path of the Company and to help extend the route flight path to the destination of Europe, South East Asia, the Middle East, Australia, etc.

Code-share Agreements

Year	Airline
2007	• Thai Airways[1]
2009	• Air Berlin • Etihad Airways • Air France
2010	• EVA Airways
2011	• Malaysia Airlines
2012	• Silk Air • Japan Airlines • Finnair • KLM Royal Dutch

Year	Airline
2013	• Qatar Airways • British Airways • Cathay Pacific Airways
2014	• Qantas Airways • Aeroflot Airline • Garuda Indonesia
2015	• China Airlines • Jet Airways • Emirate Airlines • Air Astana

Remark [1] We do not currently code-share any of our flights with THAI, or vice versa.

Fly Boutique.
Feel Unique.

Business Operations

Business Operations

Revenue Structure Of The Company

Revenues from Core Businesses	2015		2014	
	Baht (Million)	Percentage	**Baht** (Million)	Percentage
Revenues from Airlines				
Passenger Revenue				
• Domestic routes	12,617.6	50.7	10,670.4	48.2
• International routes	6,469.8	25.9	6,821.6	30.8
Freight revenue	325.6	1.3	331.5	1.5
Charter flights and charter services revenue	16.6	0.1	20.6	0.1
Total revenues from Airlines	19,429.6	78.0	17,844.1	80.7
Revenues from Airport-related services				
Revenues from BFS Ground	1,694.0	6.8	1,487.1	6.7
Revenues from PGGS	322.9	1.3	253.6	1.1
Revenues from BAC	1,020.8	4.1	943.7	4.3
Others	110.6	0.4	-	0.0
Total revenues from Airport-related services	3,148.3	12.6	2,684.4	12.1
Revenues from Airports Passenger service charge	535.3	2.2	504.3	2.3
Total revenues from Airports	535.3	2.2	504.3	2.3
Other revenues				
Dividend income	280.4	1.1	244.1	1.1
Gain on sales of investments in securities and subsidiaries	322.9	1.3	71.7	0.3
Gain from Foreign exchange Rate	0.1	0.0	3.4	0.0
Other income	1,186.3	4.8	771.5	3.5
Total other revenues	1,789.7	7.2	1,090.7	4.9
Total Revenue	**24,902.9**	**100.0**	**22,123.5**	**100.0**

1. Products and services

Products and services of the Company can be divided into core businesses and segments as follow

1. Airline Passenger Services

• Scheduled Flights

We provide full-service scheduled flights in a premium level to both business and leisure travelers.

• Route Network

As of 31 December 2015, we operated a route network ("PG Route Network") covering 23 scheduled destinations (excluding Bangkok) in 10 countries (including Thailand). Additionally, with destinations covered in our code-share arrangements extended our route network to cover 20 international destinations in seven countries (excluding Thailand).

Our PG Route Network focuses on short-haul routes to airports around leisure and cultural destinations, typically operating within a radius of up to 3,120 kilometers and a flight duration of up to five hours. Through our code-share and other cooperative arrangements ("Extended Route Network") with other airlines, we are able to extend our reach to passengers originating from destinations including Europe, Asia, and Australia. We also reach passengers in China through our charter flights.

Our International and Domestic Routes (PG Operating Routes)

The map below illustrates our international and domestic routes

as of December 31, 2015.

Bangkok Airways Route Map

Our network combining PG Operating and Code-share routes

The map below illustrates PG operating routes including our code-share network as of December 31, 2015.

Bangkok Airways
Code Share Route Map

- Operated by Bangkok Airways
- New routes by Bangkok Airways
- Codeshare Routes operated by Etihad Airways
- Codeshare Routes operated by Malaysia Airlines
- Codeshare Routes operated by SilkAir
- Codeshare Routes operated by Japan Airlines
- Codeshare Routes operated by Qantas Airways
- Codeshare Routes operated by Cathay Pacific Airways
- Codeshare Routes operated by Garuda Indonesia
- Codeshare Routes operated by China Airlines
- Codeshare Routes operated by Jet Airways
- Limo Bus Service operated by Etihad Airways

- ## Airline Cooperation Arrangements

Airline Cooperation Arrangements can be grouped in Interline Cooperation Agreement and Code Share Agreement. These interline and code-share arrangements enable us to access broader international markets and serve additional long-distance passengers without operating our own long-distance international flights and having to invest in long-haul fleet. We believe that code-share arrangements are a cost-effective means to expand the scope of our passenger services and enhance our image in the international market.

Through our hubs at Suvarnabhumi International Airport, the Samui Airport, and Chiang Mai Airport, we are able to provide efficient same airport transfer for passengers of our code-share and interline flights and to connect them to regional and domestic destinations that are part of our PG Route Network, as compared to Thailand's other airlines based on the Don Mueang Airport. This is because passengers do not need to travel from the Suvarnabhumi International Airport to the Don Mueang Airport for flight transfers.

We have successfully established code-share arrangements with 20 international airlines including Thai Airways; however, we do not currently code-share any of our flights, or vice versa, Etihad Airways, Malaysia Airlines, Finnair, KLM Royal Dutch, Air France, Silk Air, EVA Airways, Air Berlin (currently not operating flights to/from Thailand), Japan Airlines, Qatar Airways, British Airways, Cathay Pacific Airways and Qantas Airways, Aeroflot Airline, Garuda Indonesia Air, China Airlines, Jet Airways, Emirates Airlines, and Air Astana.

We typically seek code-share arrangements that would either increase our passenger traffic on our PG Route Network or add desirable destinations to our Extended Route Network. Our code-share arrangements enable us to access connecting passenger traffic from other airlines traveling from various international destinations in Europe, Asia, Australia and elsewhere.

- ## Airline Operation

1. Our Fleet

As of 31 December 2015, we had an operating fleet of 31 passenger aircraft, with details shown in tale below.

Aircraft Model	Total	Finance Lease	Operating Lease	Owned
Airbus A320	8	-	8	-
Airbus A319	11	-	11	-
ATR 72-500	8	1	2	5
ATR 72-600	4	4	-	-
Total	**31**	**5**	**21**	**5**

We operated our aircraft for an average of 9.02 block hours per day utilization in 2015, which is typical of regional full-service airlines. This comprises an average of 9.63, 9.32 and 8.10 block hours per day utilization for our Airbus A320, Airbus A319 and ATR 72-500 respectively.

2. Route Planning

We focus on short-haul routes to airports in and around major leisure and cultural destinations, typically operating within a radius of up to 3,120 kilometers and a flight duration of up to five hours from our hubs at the Suvarnabhumi International Airport, the Samui Airport, and Chiang Mai Airport.

We cooperate with the DCA in seeking additional air traffic rights under new or existing air services agreements. Our ability to expand our route network and to increase frequency and capacity is subject to our ability to obtain sufficient traffic rights and time slots to these destinations.

The principal factors considered in adding a new route to our existing route network or increasing the frequency of flights on an existing route are aircraft availability and projected passenger and cargo load factors, profitability of the route and contribution to traffic on other routes.

In our current route network strategy, we intend to focus more on network connecting traffic going through our Bangkok hub and our airports, particularly the Samui Airport. Additionally, we connect travelers through Chiang Mai, a gateway location for Northern Thailand. We have entered into code-share and other cooperative arrangements which are also key to our route network strategy, as they enable us to both extend our route network and to increase our passenger load with passengers connecting onto our flights from various international locations, including Europe, Asia, Australia, and other countries. In addition, we are able to reach passengers in China through our chartered flights. We actively monitor flights on our Extended Route Network to match the timing of our flights on our route network to maximize the number of connecting flights available to passengers connecting onto our flights. We also routinely monitor traffic on both our domestic and international routes, and adjust frequency and capacity from time to time to reflect peak travel season in the international markets and fluctuations in demand on these routes.

3. Flight Scheduling

Our network management team formulates flight schedules, based on market demand for various routes. Consistent with market demand and with IATA guidelines, we publish summer and winter flight schedules each year. The winter schedule runs from the last Sunday of October of the previous year to the last Saturday of March and the summer schedule runs from the last Sunday of March to the last Saturday of October each year. From time to time, we also vary the flight frequency and type of aircraft utilized on scheduled routes based on anticipated seasonal demand.

4. Flight Operations

Our operations control center ("OCC") located outside the Suvarnabhumi International Airport supervises and controls our flights in accordance with our flight operation schedules and relevant regulations of the authorities. Our OCC collects and analyzes information relating to the projected payload, weather and airport conditions and aircraft status. Our OCC also approves flight dispatches and coordinates necessary ground service equipment and maintenance services for our aircraft. Our OCC monitors and tracks flights by air and ground radar displays, radio communications, the Air Communication Addressing and Reporting System and Air-to-Ground Data Link communications. In the event of irregularities, our OCC may adjust flight schedules, combine flights and, if necessary, cancel flights.

5. Our Flight Operation Hubs

- ### Bangkok Flight Operation Hub and Facilities

We believe that Bangkok enjoys a number of advantages as a hub. These advantages include its role as a gateway to Southeast Asia, the Mekong region, South Asia and Southern China, and its convenient location as a stopover on routes linking Europe to North Asia and both Europe and North Asia to destinations in Australia, New Zealand and Southeast Asia.

Our primary flight operation hub is based at the Suvarnabhumi International Airport, which is Thailand's principal international and largest airport in terms of the number of aircraft movements and passenger volume. According to the statistics of the Department of Tourism, the in and out traffic of Suvarnabhumi International Airport in 2015 was recorded at 52.38 million passengers, a 12.3% increase from 2014. This figure consists of 43.94 million international passengers and 8.43 million domestic passengers. Beginning October 1st, 2015, the Airports of Thailand has deployed the Advance Passenger Processing System or APPS to inspect passengers in order to prevent any international terrorist attacks as well as to heighten security within the airport to conform to the safety measurements issued by the International Civil Aviation Organization (ICAO).

Following our commencement of operations at the Suvarnabhumi International Airport, we transferred the bulk of our operations previously based at the Don Mueang International Airport, except our heavy maintenance services, to the Suvarnabhumi International Airport. We pay various rents, fees and charges to AOT at the Suvarnabhumi International Airport, including landing and parking charges, space rental and other charges, and concession fees for several revenue-generating activities in which we engage at the Suvarnabhumi International Airport through our subsidiary and associated companies.

We also lease a plot of land at the Don Mueang International Airport which we use for our maintenance services. Our maintenance facility comprises a hangar, a C-check maintenance facility and adjacent workshops servicing a broad range of equipment.

- ## Samui Hub and Facilities

We have built and developed the Samui International Airport which opened in 1989. Developed at an estimated cost of THB 800 million, the airport was officially opened on 25 April 1989 with a 1,800 meter runway. The airport served domestic flights, primarily to and from Bangkok.

In 1997, the Samui Airport was upgraded to allow for international flights, with the development of customs and immigration facilities, as well as new passenger terminals, which allowed for the operation of new routes to the airport, including services to international destinations.

In 2004, the airport began a THB 500 million expansion program that provided for six new terminals-four domestic and two international. In addition, the program provided for extension of the runway, to 2,100 meters. The development program was completed in 2007, providing airport capacity for 16,000 passengers a day. The program increased annual passenger capacity from 1.3 million to 6 million. The growth in the airport has coincided and facilitated the growth in popularity of Samui as a tourist destination. Samui has developed into a very popular destination for Europeans, Asians, and others.

With the 2,100 meter runway, we were able to increase the size of the aircraft it operated to the airport. The carrier currently operates a mix of A319s and ATR-72s at the airport. The Samui Airport is open for other airlines such as Thai Airways International, Silk Air, FireFly.

Samui International Airport has won several awards for its design and architecture, including an environmental impact assessment award for the use of locally produced palm leaves and a natural, open-air cooling system for the terminal buildings.

Beginning October 1st, 2015, the Airports of Thailand has deployed the Advance Passenger Processing System or APPS to inspect passengers in order to prevent any international terrorist attacks as well as to heighten security within the airport to conform to the safety measurements issued by the International Civil Aviation Organization (ICAO).

- ## Chiang Mai Hub

we announced Chiang Mai Airport as our hub for the Northern Thailand region. Chiang Mai has becoming more popular for business and leisure purposes. We have observed high potential to develop tourism and create connecting traffic in this region for cultural tourism. We introduced four new route network creating Chiang Mai as the center in the Northern region for connecting traffic such as routes from Chiang Mai–Phuket, Chiang Mai-Mandalay, Chiang Mai-Yangon, and Chiang Mai-Samui.

6. Chartered Passenger Services

Chartered passenger services enhance our aircraft utilization and revenues. We determine our charter flight arrangements in accordance with aircraft availability by primarily treating the scheduled passenger services as our first priority. As we increase aircraft block hour per day utilization for our scheduled passenger services.

7. Aircraft Maintenance

Aircraft maintenance, repair and overhaul ("MRO") is critical to the safety and comfort of our passengers, the efficient use and maintenance of our aircraft and the optimization of our fleet utilization. The schedule and cycle of our maintenance services for our fleet varies depending on certain factors, including the age and type of aircraft and the manufacturers' specifications. We conduct our maintenance services in compliance with the maintenance module issued by the European Aviation Safety Agency ("EASA"), the IATA Operational Safety Audit ("IOSA") and International Civil Aviation Organization ("ICAO"). We are certified by the International Organization for Standardization ("ISO") and authorized by the DCA.

Our aircraft maintenance checks involve light maintenance and line maintenance. These periodic inspections are conducted after either a certain period of time, aircraft operational cycle or period of flight hour, depending on the type of the aircraft and the manufacturer's specifications. Generally, our aircraft maintenance checks can be divided as follows:

1. Light maintenance which includes A Checks and B Checks; and
2. Line maintenance which includes C Checks and D Checks.

Daily maintenance checks, which include visual testing and inspections of equipment and hygiene, fuel levels and emergency equipment, are conducted before and after flights to ensure that aircraft are airworthy. In addition to the daily checks, we also perform A Checks and C Checks to maintain our fleet as follows:

	Light maintenance: **A Checks/B Checks**	**Line Maintenance:** **C Checks**
ATR-72-500 **Maintenance Schedule**	Every 500 hours	Every 5,000 hours
Airbus A319 and Airbus A320 **Maintenance Schedule**	Every 4 months or 750 flight hours or 750 cycles, whichever comes first	Every 24 months or 7,500 flight hours or 5,000 cycles, whichever comes first
Maintenance Station	Bay or aircraft parking area	Hangar
Scope of inspection	**A Check** • Includes lower check, i.e., daily check **B Check** • Includes a detailed maintenance inspection for components and aircraft systems which may require specific equipment and testing. • B Check includes lower check, i.e., daily check and A check.	Includes lower check, i.e., daily check, A Check and B Check
Example: **MPD specified by** **Aircraft Manufacturers**	• General external visual inspection of aircraft structure for evidence of damage, deformation, corrosion and missing parts • Check and test switch control • Check crew oxygen system pressure • Operationally check emergency lights • Operationally check hydraulic system	• General internal inspection of aircraft structure for evidence of damage, deformation, corrosion and missing parts • Check and test entry door and emergency Exit • Check the condition of entry door seals • Check the condition of pressuresystems • Check operation of DC and Auxiliary control unit • Operationally check RAT deployment and system • Operationally check flap asymmetry System • Check operation of flight control mechanism

D Check is line maintenance which inspects the structure of aircraft and tests for traces of decay, abnormality of aircraft structure, cracking or other traces of damages. This type of maintenance is conducted by experts who deconstruct the aircraft to perform the maintenance check. The Company does not provide D Check maintenance, and in the event that the Company requires this kind of maintenance, the Company will outsource to other service maintenance providers. Any other maintenance, including component overhaul, engine overhaul and calibration services, are outsourced to third party service providers. Through our lease agreements we are able to rely on, or enjoy the benefits of, manufacturer's warranties and product support granted to our lessors. We maintain an inventory of rotable and consumable spare parts at our facilities at the Don Mueang International Airport and the Samui Airport.

8. Privileges under BOI Certificates

• Airline Operations

We have obtained BOI Certificates for airline operations under Investment Promotion Act B.E. 2520 (as amended). Tax privileges under the BOI Certificates include (i) corporate income tax exemption for net profit for a period of eight years from the date of first income derived from such activity; (ii) import duties exemption for machines; (iii) dividend tax exemption for each project throughout the period of corporate income tax exemption; and if we suffer losses from the operation of the relevant aircraft during the period of corporate income tax exemption, we are permitted to deduct such losses from the net profits incurred after the period of corporate income tax exemption for a period of not exceeding five years, whereby we may choose to deduct such losses from the net profit of any one year or several years. Non-tax privileges include the permission to import skill non-Thai experts/technicians in amounts and period as deemed appropriate by the Thai Board of Investment (the "BOI").

As of December 31, 2015, we have obtained seven BOI Certificates under which the corporate income tax exemption for 40 aircraft of which 16 aircraft has been utilized under BOI certificates. The remaining BOI Certificates allow us to exercise tax exemption for 24 aircraft.

• Airport Operations

We have obtained BOI Certificates for airport operations under the Investment Promotion Act B.E. 2520 (as amended). Tax privileges under BOI Certificates include (i) the corporate income tax exemption for net profit for a period of eight years from the date of first income derived from such activity; (ii) the permission to deduct an amount not exceeding 25.0% of the cost of installation or construction of facility in addition to normal depreciation; (iii) import duties exemption from machines; and (iv) dividend tax exemption throughout the period of corporate income tax exemption. If we suffer losses from the operation during the period of the corporate income tax exemption, we are permitted to deduct of such losses from the net profits incurred after the period of corporate income tax exemption for a period of not exceeding five years, whereby we may choose to deduct such losses from the net profits of any one year or several years. Non-tax privileges include the permission to import skill non-Thai experts/technicians in amounts and period as deemed appropriate by the BOI.

As of December 31, 2015, we have obtained a BOI Certificate under which the corporate income tax exemption is still valid for the extension to Samui Airport.

We obtained the BOI Certificates for four airports (Samui Airport, Sukhothai Airport and Trat Airport) under which the exemption of corporate income tax have expired, but we are still subject to certain conditions under such BOI Certificates until the BOI Certificates have been terminated. Material conditions under each of such BOI Certificates include, but are not limited to, non-disposal of the machines, maintenance of at least a 51.0% Thai shareholding and requirement to report any change in the foreign shareholding ratio, financial status or overall operation.

2. Airport-related Businesses

Apart from airline services and airport services, we also provide airport-related services including cargo terminal services, ground and passenger services and in-flight catering services to our flights and those of other airlines through our subsidiaries and associated companies as follows:

Company	Shareholding percentage	Relationship with the Company	Business Operations
BFS Ground	90.0	subsidiary	provides passenger services and ground support equipment services
BAC	90.0	subsidiary	provides in-flight catering services
BFS Cargo	49.0	Associated company	provides international cargo terminal services

• Ground Services

Our ground services include passenger services and ground support equipment services. At the Suvarnabhumi International Airport, our 90.0%-owned subsidiary, BFS Ground provides ground support equipment services for our own scheduled and chartered domestic and international flights, and also both passenger and ground support equipment services on a contract basis for other airlines. Worldwide Flight Services Holding S.A. ("WFS") provides certain services to BFS Ground through the Ground Services Agreement dated August 24, 2006, which include monitoring and evaluating the quality of the operational services, marketing the services and facilities of BFS Ground, developing controls and best practice for operating costs, maintaining and administering all agreements of BFS Ground, including the Ground Project Agreement, and assisting in procuring relevant industry certification.

The AOT granted BFS Ground the right to operate ground equipment and ramp services under a build transfer-operate project agreement dated February 11, 2004, and amended in February 2010, between the AOT and BFS Ground (the "Ground Project Agreement") for a period of 20 years, commencing from September 28, 2006. BFS Ground's principal competitor for its ground services is Thai Airways. At the Samui Airport, we provide ground services through our 99.99% owned subsidiary.

At airports in foreign countries, third-party ground service providers or principal airlines based at such airports provide ground services to our flights, typically based on pre-set contractual fees.

(a) Passenger Services

BFS Ground provides a wide range of passenger services for other airlines, scheduled flights, charter flights and private jets at the Suvarnabhumi International Airport. Passenger services include check-in and ticketing service, boarding service, lounge service (including business class lounge service), baggage handling and interline baggage handling. BFS Ground provides ramp and passenger services to over 40 other airlines at the Suvarnabhumi International Airport. BFS Ground's passenger service contracts are typically for terms of two to three years, and are denominated in Thai Baht.

(b) Ground Support Equipment Services

BFBFS Ground provides a wide range of ground support equipment services at the Suvarnabhumi International Airport for other airlines, charter flights and private jets. Ground support equipment services include aircraft loading and unloading, marshaling and push back, baggage handling, ramp handling, cabin cleaning, air conditioning, lavatory and water servicing, ground service equipment maintenance, crew transit service and flight operations support.

BFS Ground also provides ground support equipment services to 60 other airlines at the Suvarnabhumi International Airport. BFS Ground's ground support equipment service contracts are typically for terms of two to three years, and are denominated in Thai Baht. BFS Ground was the first and only ISAGO certified provider in Thailand.

• In-Flight Catering

BAC, provides in-flight catering for passengers on our own flights as well as for passengers on other airlines. The AOT granted BAC the right to operate in-flight catering services under a build transfer-operate project agreement dated (the "Catering Project Agreement") for a period of 20 years commencing from September 28, 2006.

BAC's catering facilities are located at the Suvarnabhumi International Airport and occupy approximately 20,000 square meters. Within BAC's facilities, it has a 2,000.0 square meter kitchen dedicated to preparing Kosher meals, a 6,000 square meter kitchen for the preparation of normal meals and a 5,000.0 square meter halal-compliant section.

BAC produces all meals to Good Manufacturing Practice and Hazard Analysis Critical Control Point global standards. In addition, BAC is Halal certified by the Central Islamic of Thailand and Kosher-certified by the Thai Kashrut Services Ltd.

	As of December 31, 2015	
	2015	**2014**
Amount of produced and uplifted meals for our flights (million meals)	4.2	4.0
Amount of produced and uplifted meals for other airlines (million meals)	5.7	4.9
Average of produced and uplifted meals (meal)	27,055	24,528

BAC is serving 20 airline clients with contracts typically for terms of one to three years. Such contracts are mostly priced in Thai Baht.

BAC's principal competitors for its in-flight catering services are Thai Airways and LSG Skychefs Co., Ltd., an affiliate of Lufthansa.

In 2015, BAC expanded its service area by opening kitchens in Phuket and Samui to handle an increasing number of clients beyond the Bangkok areas.

BAC also provides catering services to our economy class and business class lounges, as well as to the business class lounges of airline clients at the Suvarnabhumi International Airport. In addition, BAC provides outside catering services in Bangkok through its 99.99% owned subsidiary, BAC Gourmet House Co., Ltd. ("Gourmet House").

• Cargo Services

BFS Cargo provides international cargo terminal services at the Suvarnabhumi International Airport. Our joint venture partner, WFS, a global independent cargo handler. WFS provides certain management services to BFS Cargo include monitoring and evaluating the quality of the operational services, marketing the services and facilities of BFS Cargo, developing controls and best practice for operating costs, maintaining and administering all agreements of BFS Cargo, including the Cargo Project Agreement, and assisting in procuring relevant industry certification. The AOT granted BFS Cargo the right to operate airport cargo services under a build-transfer-operate project agreement between the AOT and BFS Cargo ("Cargo Project Agreement") for a period of 20 years from September 28, 2006. The Cargo Project Agreement covers the operation and provision of cargo services for international air cargos in the Suvarnabhumi International Airport.

BFS Cargo's facilities enable it to handle premium cargo, including perishable goods and valuable cargo, in respect of which it is able to earn higher margins. Security in BFS Cargo's facilities is important to BFS Cargo. BFS Cargo has installed 186 closed circuit televisions located throughout its facilities, and in the areas where BFS Cargo stores high value cargo, BFS Cargo's facilities are equipped with static cameras. BFS Cargo also has x-ray machines to screen for explosives and has outsourced aviation trained security personnel and security guards.

BFS Cargo is certified by the Transported Asset Protection Association and the International Organization of Standards, and as of December 31, 2015, BFS Cargo was the first and only IATA Safety Audit for Ground Operations ("ISAGO") certified provider in Thailand. BFS Cargo's cargo terminal is a 55,370 square meter facility at the Suvarnabhumi International Airport. Within BFS Cargo's facilities, it has a 39,744 square meter cargo warehouse comprising a 16,000 square meter cold storage area with four direct loading bays, a 120 square meter secured storage area with an enclosed steel vault and biometric access control for valuables, a dedicated ventilated area for livestock and a 120 square meter room to store hazardous cargo. The capacity of BFS Cargo's cargo facility is 550,000 tons per annum.

This table shows weight of handled cargo and cargo tonnage for the period specified.

	2014	2015
Weight of handled cargo (Ton)	371,530	375,301
cargo tonnage (Ton per year)[1]	550,000	450,000
Utilization (percentage)	67.6	83.4

Remark (1) WFSPG Cargo Co.,Ltd. has adjusted the cargo calculation method due to an increasing amount of imported items. (Presently, the ratio between the imported and exported items are 46:54 from 34:66) Normally, the imported goods are kept in the cargo warehouse for several days before they get collected. While the exported goods are kept for only 0.5 days prior the shipment. This causes the warehouse space shrinks from the capacity of 550,000 ton per year to 450,000 tons per year.

As of December 31, 2015, BFS Cargo had over 50 customers. BFS Cargo's cargo terminal service contracts are typically for terms of two to three years and are typically priced in Thai Baht.

BFS Cargo's principal competitor for its international cargo terminal services is Thai Airways.

3. Airport Businesses

The Company own and operate 3 airports which are the Samui Airport, Trat Airport and Sukhothai Airport.

3.1 Samui Airport

The Samui Airport is our most important airport in terms of passenger traffic and contribution to income. We commenced operations at the Samui Airport in 1989 as the only privately-owned public airport in Thailand. We commenced operations with the Samui Airport Incorporation License.

In 2005, we completed an extension to the airport which now allows the airport to handle up to 16,000 passengers per day and six million passengers annually. In 2015, the Samui Airport served approximately 2 million passengers and 27,000 flights.

This tables shows flights into the Samui Airport as of December 2015, with details as follow

Airlines	Flights per day
Bangkok Airways	36
Thai Airways	2
Silk Air	10 [1]
Firefly	1

Remark (1) Flights per week

The Samui Airport operates 16 hours a day. The total area of the airport's premises is approximately 600 rai. The airport has one operating runway, with a length of 2,060 meters. The Samui airport has four taxiways with an area of approximately 28,000 square meters.

The airport can accommodate ATR72-500/72-600, Airbus A319 and Boeing 737-400 aircraft, as well as business and private jets.

In the present, The Thai Department of Civil Aviation, based on the approved Environmental impact assessment by the Office of Environmental Policy and Planning, permitted number of flights in and out Samui Airport to 50 flights per day.

The airport has six terminals, which cover an area of 12,113 square meters, of which 1,939 square meters is commercial space. Within the arrival terminal, there are eight immigration officers on duty for 16 hours a day. Since August 2015, The Airport has provided more convenience to passengers by adding 10 common-use self-service (CUSS) kiosks at departure terminal.

In November 2006, we leased the assets of the Samui Airport to the Samui Property Fund for a period of 30 years from November 24, 2006 in accordance with the terms of the Long-Term Lease Agreement. Under the Long-Term Lease Agreement, we have agreed to, at our expense, among others, maintain the general environment of the Samui Airport and perform required marketing activities.

The Company continues to act as the operator of the Samui Airport in accordance with the terms and conditions under the Sub-lease Agreement and the service agreement dated November 24, 2006 (the "Service Agreement"). Under the Sub-lease Agreement, the Samui Property Fund sub-leased the Samui Airport to us for a three year term, renewable for up to nine additional three year terms upon agreement by both parties. Accordingly, we have the ability to sub-lease the Samui Airport for aggregate term of not exceeding 30 years. Under the Service Agreement, the Company agrees to provide services relating to equipment, machinery and other systems (such as equipment for maintenance of runway, communication system and other systems) in the Samui Airport to the Samui Property Fund for a period of 30 years from the date of the Service Agreement. The Company also agrees to pay to the Samui Property Fund, (i) rent in an amount of THB 26.1 million per month and (ii) a service fee, which consists of a fixed service fee in the amount of THB 21.4 million and a variable service fee in an amount calculated based on the formula specified in the Service Agreement. Such formula is based on several factors, including the number of the departing passengers and the aircraft (excluding the rent of commercial areas within the Samui Airport).

Major revenues of the Samui Airport are obtained from passenger service charges, aircraft landing fee, aircraft parking fee and ground handling services fee charged to other airlines operating at the airport, and the rent of commercial areas within the Samui Airport.

Since we granted PGGS the right to provide ground services for other airlines at the Samui Airport, revenues from ground service charges provided to other airlines will not be directly paid to us. Instead, we obtain revenue from granting PGGS such rights. A substantial portion of our revenue from the Samui Airport operation will be paid to the Samui Property Fund as rent, fixed service fee and variable service fee and they will in turn be paid to us as dividend income because we hold a 25.0% ownership interest in the Samui Property Fund.

3.2 Trat Airport

We commenced operations at the Trat Airport in 2006 under the Trat Airport Incorporation License which is valid until March 14, 2016. On March 11, 2013, the Ministry of Finance announced the Trat Airport as a Custom Inspection and Quarantine Airport.

Trat is located 387 kilometers east of Bangkok and is closest town to the Cambodian border. We are the only airline that flies into Trat. In 2014, we carried approximately 72,689 passengers to and from the Trat Airport. We operate three flights a day in and out of Trat. Trat Airport operates 13 hours and can handle up to 3,640 passengers per day. The total area of the airport's premises is approximately 1,300 rai. The airport has one operating runway with a length of 1,800 meters. In 2015, the in and out traffic saw 73,000 passengers and more than 1,900 flights.

Construction of aircraft parking bay is in progress, with an area of approximately 4,800 square meters. The first phase of the construction would expand the aircraft parking bay to accommodate two aircraft. The airport has one terminal which covers an area of 2,560 square meters, of which 1,250 square meters is commercial space.

3.3 Sukhothai Airport

We commenced operations at the Sukhothai Airport in 1998. Sukhothai is located 440 kilometers north of Bangkok. Approximately 600,000 people live in the town. Old Sukhothai, which is located 12 kilometers west, has been a UNESCO World Heritage site since 1991. In 2015, we served approximately 54,000 passenger and more than 1,400 flights. We are the only airline that flies into Sukhothai. We operate two flights a day in and out of Sukhothai.

The Sukhothai Airport operates 12 hours and can handle up to 3,360 passengers per day. The total area of the airport's premises is approximately 1,018 rai. The airport has one operating runway with a length of 2,100 meters and a capacity of four air traffic movements per hour or 48 flights per day. The Sukhothai Airport has one taxiway, which covers 3,870 square meters and two operative aprons, with an area of approximately 9,975 square meters. Current traffic movement does not exceed two flights per day. The airport has two terminals which cover an area of 1,026 square meters, of which 784 square meters is commercial space.

2. Marketing and Competition

Marketing

1. Promoting Passenger Experience

We are committed to enhancing our passenger experience by providing them with premium, quality services, including the use of complimentary lounges at the airports, friendly and passenger-focused service, a modern and fuel efficient fleet of aircraft and cultural and leisure destinations.

We distinguish our passenger experience with complimentary lounges for all passengers. Our economy class lounges offer our passengers free snacks, beverages and Internet access. We also operate separate business class lounges, or Blue Ribbon lounges, to service our business class passengers. Our Blue Ribbon lounges offer hot meals, shower rooms, library rooms and Internet access.

To provide the highest quality customer service, we employ staff who have English proficiency, friendly, and professional. Staffs are selected through a rigorous recruitment process, which is followed by extensive and ongoing training and performance management activities. We specifically budget for training for each customer service personnel every year to ensure staffs are fully prepared to assist passengers effectively and efficiently.

2. Advertising and Marketing

We believe that Thailand's popularity as a tourist destination has historically provided us with a competitive advantage. Our marketing efforts have historically emphasized the unique appeal of Thai culture, including the attributes of hospitality and friendliness, with the goal of enhancing our positioning as a boutique airline and building a strong reputation of quality personal service.

Our expenditure on marketing relates primarily to media advertising, support to tour operators and travel agents. We advertise mainly through our Internet website, social media, international and domestic trade fairs, outdoor billboards, newspapers and television and radio commercials.

While our marketing efforts focus on destinations within Thailand and Southeast Asia, through our code-share and other cooperative arrangements and our general sales agents and marketing offices located in various locations internationally, we are also able to reach international passengers connecting domestically and regionally to the destinations we serve.

3. Pricing and Revenue Management

Our business is impacted by the number of passengers flown and the fares charged. We have implemented a revenue management system to maximize revenues by flight, by market and across our entire operations. Revenue management is an integrated set of business processes used to calculate the optimal pricing and seat inventory for premium and budget passengers to maximize revenue generated by the sale of tickets based on forecasting of demand behavior for each market.

Through our current revenue management system, we seek to maximize revenue per flight by optimizing allocation of seat inventory in the fare classes. We have a multiple pricing structure to meet the varying demands of each market segment. Certain of our aircraft cabins are physically divided into business and economy cabins and virtually divided into 16 fare sub-classes. We determine the number of seats offered at each fare through a continual process of competitive analysis, being one of the most critical processes in revenue management, forecasting and optimization. Booking history and seasonal trends are used to forecast anticipated demand. We use historical forecasts, combined with current bookings, upcoming events, competitive pressures and other factors to establish a fare structure to maximize revenues.

We use AirVision Revenue Manager, a revenue management system developed by Sabre Inc. This system uses forecasting and optimization models to rapidly analyze economic tradeoffs required to determine the number of seats offered at each fare, which enables us to maximize revenues from existing capacity. We have implemented this system with respect to all of our international and domestic routes since 2008.

We actively manage passenger yields through our marketing and sales policies to maximize passenger revenues. Among other measures, we seek to increase passenger revenues by:

- simplifying the pricing structures and at the same time, introducing pricing policies at each point of sale to match the characteristic of each point of sale and channel in order to maximize yield and minimize revenue dilution;
- introducing automated ticketing to prevent revenue losses due to human error and increase revenue from optional service fees such as excess baggage fees;
- employing marketing initiatives in high-yield markets such as Samui and Siem Reap;
- optimizing seat allocation within each booking category according to fare classes and forecasted demand based on historical data for each route (such as by allocating fewer lower fare seats for routes with higher expected demand); and
- ptimizing priority allocation to passengers based on forecast demand to maximize revenue on a network basis rather than on an individual sector basis.

Like most other airlines, we overbook some flights to account for no-shows. Our overbooking percentage varies route by route and depends on historical rates of no-shows and late cancellation.

4. Maintaining frequent customers by FlyerBonus

Since its establishment in 2005, our frequent flyer program, FlyerBonus, has played a key role in our marketing strategy and is one of our principal means of creating and retaining customer loyalty. FlyerBonus has two membership tiers: regular and premier. We believe our frequent flyer program promotes loyalty by offering fare redemption for continued patronage. Members can earn mileage credits on our flights and with all of our code-share partners. We occasionally also offer double or triple point FlyerBonus promotions to promote our new routes. Mileage credits can be redeemed for free, discounted or upgraded travel on our flights or exchanged for certain goods sold through in-flight sales. FlyerBonus also has more than 30 travel partners, including all of our code-share partners, financial institutions, car rental companies and local and international hotel chains, allowing members to earn miles through everyday spending, car rentals and hotel stays.

FlyerBonus generates revenue through repeat ticket sales on our flights and stimulates interline sales with our airline partners through the members' ability to earn miles on our airline partners' frequent-flyer programs. We also earn revenue through redemption seating purchased by our airline partners when members of their frequent flyer programs redeem miles for flights on Bangkok Airways. The aggregate number of seats available for redemption seating purchased by FlyerBonus members is controlled by flight and class, as part of our efforts to maximize total yield. Air miles expire if they are unused for three years.

5. Our target customers

Our target customers are primarily tourists, as we believe that we are well-positioned to benefit from the growth of tourism in Thailand. Our boutique business model provides extra amenities to our customers such as lounge services without charging additional cost, while also supporting our ability to maintain full service fares, which we believe differentiates us from our competitors. Our passenger base consists of primarily international passengers, and still continue to increase continuously. Our domestic passenger base concurrently to benefit from the expanding domestic passenger market and to minimize our dependence on international passengers.

6. Sales and Distribution

We have two principal distribution channels: direct sales through our sales offices, call centers and website, and indirect sales

1. Direct sales

Direct sales are made at sales offices, ticket counters, airport counters, Call Centers and on our website.

(1) Sales offices, ticket counters and airport counters.

We operated an aggregate of 33 sales offices via 50 selling agents located in Canada, Australia, Europe, Thailand, Singapore, Hong Kong, Cambodia, Laos and Myanmar. We also sell tickets at our ticket counters located in the airports which we serve. These sales offices, ticket counters and airport counters allow guests to walk in to make or change reservations and settle payments either in cash or by using a credit or debit card

(2) Call Centers

We offer our customers the ability to reserve their seats 24-hours a day by calling a telephone number 1771. Guests may settle payment of their call center bookings by using a credit card, or by mobile phones, other similar services, as well as certain convenience shops throughout Thailand.

(3) Internet.

We rely on our website, http://www.bangkokair.com, for our Internet sales. Online bookings are paid for by credit card or direct debit, reducing credit risk and accounting processes. This also improves our operating cash flows as all revenues from Internet sales are received directly by our acquiring bank for crediting to our account. In 2010, we upgraded our website to increase Internet sales and reduce agency commissions. We also revamped the layout to be more sales-focused with more prominent fares and promotional displays. In 2015, use of the Internet to make flight reservations increased revenue to 1.2 million passengers respectively. The Internet has become our least expensive distribution channel as it requires lower overhead and operating costs.

2. Indirect sales

We generally appoint general sales agents in locations inside and outside Thailand in order to reach a broader customer network. We have general sales agents in various locations including the United States, Canada, Australia and Europe. General sales agents perform similar functions to our own sale offices, including marketing, promotional functions and ticket sales. General sales agents are particularly important for code-share flights arriving from international destinations to connect to our domestic and regional flights.

IATA-authorized sales agents may also sell tickets on our flights. We became a member of the IATA BSP in the year 2000, we had established relationships with over 40 countries around the world to sell our tickets through IATA-authorized sales agents. Payments for tickets sold through IATA-authorized

Sales agents are typically settled via a bank settlement plan administered by IATA. The services that travel agents provide are particularly useful for travelers who do not have Internet access and/or credit cards, especially in rural remote areas of Thailand or in other developing countries.

Risk Factors

1. Risks Relating to Our Business

Our business, financial condition, results of operation and prospects are materially and adversely affected by the cost or unavailability of sufficient quantities of fuel.

Aircraft fuel costs represent the largest component of our cost of sales and services, comprising 29.6% and 24.2% of our total consolidated cost of sales and services in 2014, 2015 respectively. As jet fuel constitutes a substantial portion of our operating costs, a relatively small increase in fuel costs can have negative effect on our operating costs. Jet fuel prices are subject to wide fluctuations, and within the last five years jet fuel spot prices have ranged from a high of US$140.99 per barrel on April 8, 2011 to a low of US$43.4 per barrel on December 31, 2015. As of December 31, 2015, the spot price of jet fuel was US$43.4 per barrel, according to MOPS. In the event of a jet fuel supply shortage, higher jet fuel prices or the curtailment of our scheduled service could result. We enter into jet fuel derivative contracts to manage our risks resulting from future changes in jet fuel prices. As of December 31, 2015 we have entered into hedging contracts for approximately 48.7% of our forecast jet fuel requirements until December 31, 2015.

The company still have an obligation the hedging contract until September 2016 for 345,000 barrel. However, we cannot assure you that our fuel hedging program will be sufficient to protect us against increases in the price of fuel. Additionally, we are also exposed to potential losses from our other hedging activities.

We rely mainly on PTT Public Company Limited ("PTT") and the Shell Company of Thailand Ltd. ("Shell Thailand") for our jet fuel requirements. In 2014 and 2015, 67.3% and 67.4%, respectively, of our aircraft fuel expenses were the result of purchases of jet fuel from PTT and 28.3% and 27.9%, respectively, were from Shell Thailand. Any decline in the availability of adequate supplies of fuel and/or any increase in the cost of fuel would have a material adverse effect on our costs and on our business, financial condition, results of operation and prospects.

Our business, financial condition, results of operation and prospects have been in the past and could be in the future materially and adversely affected in the event of an emergency, accident or incident involving any of our aircraft.

We are exposed to potential significant losses in the event that any of our aircraft is lost or subject to an emergency, accident, terrorist incident or other disaster and we incur significant costs related to passenger claims, repairs or replacement of a damaged aircraft and its temporary or permanent loss from service.

We cannot assure you that we will not be involved in any similar or other more serious events, including one where injuries or death occur, in the future. We cannot assure you that the amount of our insurance coverage will be adequate to cover the losses or damages from any future accidents or incidents.

Changes in code-share agreements with other airlines may have a material adverse effect on our business, financial condition, results of operation and prospects.

As of December 31, 2015, we had code-share agreements in place with 20 airlines. We also generally enjoy positive interline balances with our code-share airlines. We expect more reliance on our code-share arrangements. However, we cannot assure you that we will not be adversely affected by any future changes in our relationships with our code-share airlines. Moreover, certain of our code-share agreements can be terminated with 30-days written notice, without cause, or immediately, with cause. Any unexpected or premature termination of our code-share agreements may have adverse effect on our business, financial condition, results of operation and prospects.

The intense competition in the airline industry along with competition from other forms of transportation could materially and adversely affect our business, financial condition, results of operation and prospects.

We have faced a high level of competition on our domestic and international routes. Airlines compete primarily on fare levels, frequency, reliability of service, brand recognition, passenger amenities, frequent flyer programs and the availability and convenience of other passenger services. In addition, some of the airlines with which we compete are larger and may have greater brand recognition, financial resources and penetration in key markets, including Thailand. They may be in a better position to operate unprofitable routes for a longer period of time than us.

Our competition for our scheduled passenger services include other full-service operators, low-cost operators and other forms of transportation. We face competition on our principal domestic routes primarily from carriers such as Thai Airways, Thai AirAsia, NOK Air, Thai Smile and Thai Lion Air. In addition, additional carriers may desire to fly in and out of Samui in the future. The intensity of competition varies from route to route. We cannot assure you that our competitors will not engage in price cutting or other activities in an attempt to shift market share, which may have adverse effect on our business, financial condition, results of operation and prospects.

Our airline and airport businesses are heavily dependent on travel to Thailand and the broader Southeast Asian markets, by Thai, regional and European passengers, and a reduction in demand for air travel in these markets may have a material adverse effect on our business, financial condition, results of operation and prospects.

The airline business is our core business, contributing 80.7% and 78.0% of our total consolidated revenues in 2014 and 2015, respectively. It comprises air transport services for passengers domestically and internationally. Our growth has focused and will continue to focus on adding domestic and international flights to and from our operations at the Suvarnabhumi International Airport, Samui Airport and Chiang Mai Airport. Our business, financial condition, results of operation and prospects would be affected by any circumstances causing a reduction in demand for air transportation in Thailand, including adverse changes in local economic conditions, declining interests in Thailand as a tourist destination, or significant price increases as a result of increases in airport access costs and fees imposed on passengers.

We believe that a substantial majority of our passenger traffic on our airline and at our airports comprises tourists attracted by Thailand's appeal as a tourist destination. Accordingly, we are dependent on the health of the Thai tourism industry. We have experienced a significant decline in international passenger traffic by a number of political demonstrations and strikes as well as reports of violence in certain areas of Bangkok. Our business is adversely affected by any circumstances causing deterioration in Thailand's appeal as a tourist destination, such as continued internal political instability, adverse changes in international economic conditions. We cannot assure you that we will be able to take any preventive measures to mitigate potential negative impacts to our operations. Moreover, as some of our interline passengers originate from Europe, any negative external factors affecting travel from Europe could have adverse effect on our business, financial condition, results of operation and prospects.

Our subsidiary and associated companies have been granted concessions to provide airline related services in the Suvarnabhumi International Airport.

Our subsidiary and associated companies have entered into project agreements with the AOT to provide airport-related services at the Suvarnabhumi International Airport, including cargo terminal services, ground services and in-flight catering services, with a term of 20 years, expiring September 27, 2026. BFS Ground and BAC contributed 7.3% and 4.5%, respectively, to our consolidated revenue in 2014 and 6.6% and 4.3%, respectively, to our consolidated revenue for 2015. We cannot guarantee you that one or more of our project agreements will not be terminated before their expiration. If our subsidiary and associated companies are unable to renew or extend their project agreements upon expiration or termination, our subsidiary and associated companies will lose their rights to operate the relevant businesses resulting in our loss of revenue stream resulting from such business, which will have adverse effect on our business, financial condition, results of operation and prospects.

Compliance with environmental laws and regulations may affect our existing and future operations and result in additional costs.

The airline industry is subject to environmental laws and regulations and will likely be subject to more stringent environmental laws and regulations in the future. These environmental laws and regulations relate to, among other issues, aircraft noise, the use and handling of hazardous materials, air emissions and environmental contamination clean-up. Several countries have issued a number of environment-related directives and other regulations including regulations relating to aircraft noise, exhaust and age. Further, environmental regulations, especially those with respect to noise and air pollution, have evolved rapidly and are expected to continue to evolve in ways that may require the termination of use of certain models of aircraft if they do not conform to the regulations. These requirements impose substantial ongoing compliance costs and operational restrictions on airlines, particularly as new aircraft brought into service will have to meet the environmental requirements during their entire service life. Compliance with these laws and regulations could increase our expenses or restrict our ability to continue to expand some of our operations.

Our maintenance costs will increase as our fleet ages.

The average age of our aircraft was 9.0 years as of December 31, 2015. Generally, the cost of maintaining aging aircraft will exceed the cost of maintaining newer aircraft. As our fleet continues to age, it will require more maintenance and our maintenance expenses will increase on an absolute basis, on an available seat kilometer basis and as a percentage of our operating expenses (provided our other operating expenses remain constant). Any significant increase in maintenance expenses will have an adverse effect on our business, financial condition, results of operation and prospects. Older aircraft typically feature older cabin products, and generally require more frequent maintenance, which may result in disruptions of flight schedules, and generally affect customer satisfaction and perceptions of our airline, each of which may generally reduce our competitiveness.

We may incur a significant amount of debt in the future to finance the acquisition of aircraft, capital expenditure or expansion plans.

We have historically leased most of our aircraft pursuant to operating lease arrangements. However, we may consider purchasing a portion of our aircraft requirements in the future. On February 12, 2014, we entered into a sale and purchase agreement for nine new ATR 72-600 aircrafts, and the delivery of the total nine aircraft is scheduled for between the last quarter of 2014 and the first quarter of 2017. We are likely to require financing and incur significant amounts of debt to fund such acquisitions. If we are unable to obtain such financing, we will remain obligated to take delivery of the nine aircrafts and will be required to finance through alternative funding sources or renegotiate with the vendor or default under the sale and purchase agreement. We may also obtain debt financing to finance our operations. If we are unable to obtain financing for new aircraft on acceptable terms, this may affect our profitability and delay our fleet expansion plans. Moreover, our future credit facilities may contain covenants that limit our operating and financing activities and require the creation of security interests over our assets. Our ability to meet our payment obligations and to fund planned capital expenditures will depend on the success of our business strategy and our ability to generate sufficient revenues to satisfy our obligations, which are subject to many uncertainties and contingencies beyond our control

We may not be successful in implementing our business strategy

Our business strategy involves increasing the number of our aircraft, increasing the frequency of our flights to destinations we currently serve, expanding the number of destinations we serve and that is part of our extended code-share network and stimulating growth in the markets that we serve. Achieving our business strategy is critical to the success of the Company.

Increasing the number of destinations that we serve depends on our ability to obtain suitable landing slots in airports located in our targeted markets in a manner that is consistent with our strategy. We need to obtain air traffic rights and airport landing slots before we can commence services to new destinations. Increasing the number of destinations, increasing the frequency to the destinations that we currently serve depends on our ability to obtain additional departure and landing slots in such destinations, including at the Suvarnabhumi International Airport, Samui Airport, Chiang Mai Airport, and other Airports where we operate flights. Any failure to obtain these traffic rights, airport departure and landing slots or approvals, to add additional code-share arrangements, or to add additional departure and landing slots may have adverse effect on our business, financial condition, results of operation and prospects.

We expect a number of planned future destinations. Adding service to new destinations may require us to commit a substantial amount of financial and other resources, even before the new service commences, and we may initially experience low load factors and be required to offer promotional fares to new destinations, which will adversely affect the profitability of these new destinations. In addition, we plan to expand our total fleet size to 43 by December 31, 2018. If we are unable to successfully implement our business strategy, we may have to delay or cancel the scheduled deliveries of these aircrafts, subject to applicable break fees, which may affect our business, financial condition, results of operation and prospects.

Other factors that may have an impact on our business strategy include:

- the general condition of the Thai, Asian and global economies and the global capital markets;
- demand for regional air transportation;
- barriers to entry into the Thai and Southeast Asian aviation market;
- our ability to operate and manage a larger operation cost-effectively;
- our ability to acquire additional licenses and traffic rights to our targeted geographical markets in order to expand our route portfolio;
- our ability to hire, train and retain sufficient numbers of pilots, cabin crew and engineers for our aircraft;
- our ability to source and take delivery of aircraft on a timely basis; and
- our ability to obtain the financing necessary to pay for expansion at cost-effective rates.

Many of these factors are beyond our control. We cannot assure you that we will be able to successfully expand within our existing markets or establish new markets, and any failure to successfully implement our business strategy may have a material adverse effect on our business, financial condition, results of operation and prospects.

Our ability to set fares on certain segments of our business is constrained by fare ceilings set by the Government.

As an airline company, we are regulated by the Government through, among others, the DCA. The DCA is the regulatory authority responsible for regulating the Thai aviation sector. The DCA issues operating licenses required for our flight operations, sets price caps for airfares on domestic passenger services sold in Thailand, regulates fuel surcharges for scheduled domestic passenger and cargo services and agrees international bilateral air service agreements with other countries. Our domestic fares are subject to fare ceilings prescribed by the DCA. Our revenue from domestic passenger services accounted for 60.9% and 66.0% of our revenues from passenger services in 2014 and the 2015, respectively. Any adverse changes in these policies, in addition to other regulations and policies governing airline operations, could have adverse effect on our business, financial condition, results of operation and prospects.

Fluctuations in currency exchange rates may have an adverse impact on our business, financial condition, results of operation and prospects.

Due to the geographic diversity of our business, we receive revenue and incur expenses in a variety of currencies, in particular the Thai Baht, and U.S. Dollar. However, most of our maintenance, aircraft leasing, jet fuel supply, insurance contracts and substantially all of our purchase contracts with respect to aircraft spares are denominated in U.S. Dollars. A number of currencies, have experienced significant volatility, which could be detrimental depending on our foreign exchange position with respect to both our income and expenses. We may, in the future, enter into derivative contracts to hedge our foreign exchange exposure. However, we cannot assure you that such hedges will be available or commercially viable or effective to hedge our exposure to foreign currency risks.

We may enter into U.S. Dollar commitments in the future, including in relation to future purchases of aircraft. Therefore, any depreciation in the Thai Baht against these foreign currencies would increase our obligations. There can be no assurance that we would be able to generate revenue increases sufficient to offset such increased obligations. As a result, fluctuations in the value of the Thai Baht against other foreign currencies may affect our business, financial condition, results of operations and prospects.

We are exposed to certain risks against which we do not insure, and may have difficulty obtaining insurance on commercially acceptable terms or at all.

Insurance is fundamental to airline and airport operations. As a result of terrorist attacks or other world events, certain aviation insurance could become unavailable or available only for reduced amounts of coverage that are insufficient to comply with the levels of coverage required by our aircraft lessors or applicable government regulations. Any inability to obtain insurance, on commercially acceptable terms or at all, for our general operations or specific assets would have a material adverse effect on our business, financial condition, results of operation and prospects.

We cannot assure you that our coverage will cover actual losses incurred. To the extent that actual losses incurred by us exceed the amount insured, we could have to bear substantial losses which may have adverse effect on our business, financial condition, results of operation and prospects. In line with industry practice, we leave some business risks uninsured, including business interruptions, loss of profit or revenue. To the extent that uninsured risks materialize, our business, financial condition, results of operation and prospects could be materially and adversely affected.

2. Risk Relating to the Aviation Industry

The airline industry tends to experience adverse financial performance during general economic downturns.

It is difficult to predict the effects of a global economic downturn. The airline industry is characterized by low profit margins and high fixed costs. A significant proportion of our expenses, including depreciation, maintenance and overhaul, aircraft handling and navigation fees, finance costs, operating lease payments and labor costs for flight deck and cabin crew and ground personnel do not vary based on our load factors, while revenue generated from a flight is directly related to the number of passengers or cargo carried and the fare structure. A change in the number of passengers in relevant markets or in pricing, load factors, or traffic mix could have a disproportionate impact on our business, financial condition, results of operation and prospects. In addition, a minor shortfall in expected revenue levels could have adverse effect on our financial performance.

Limitations of Bangkok's airports and other Thai airports may inhibit our ability to increase our aircraft utilization rates, improve our on-time performance and provide safe and efficient air transportation.

Although Thailand's commercial aviation infrastructure has improved substantially with the opening of the Suvarnabhumi International Airport in September 2006 and the re-opening of Don Mueang International Airport to domestic flights in March 2007, the resources of many segments of the commercial airline industry, including airport facilities and air traffic control systems, have been strained by the rapid increase in air traffic volume. Our ability to increase utilization rates, improve our on-time performance and provide safe and efficient air transportation in the future depends in part on factors beyond our control, including:

- capacity of landing slots, passenger capacity at terminals and air traffic congestion in major hub airports that we serve, particularly at the Suvarnabhumi International Airport in Bangkok and the Phuket Airport;
- the quality of the management of Thai airports by the relevant operator;
- the quality of national air traffic control;
- the quality of navigational systems and ground control operations at Thai airports;
- limitations on runway length and/or strength which restrict our aircraft payload;
- the quality of infrastructure at regional airports that we serve; and
- any increased security measures.

If any of these factors is inadequate, our ability to expand our route network or to increase the frequency of flights on our existing routes, improve our on-time performance and to provide safe air transportation will be compromised, and our business, financial condition, results of operation and prospects may be adversely affected.

The airline industry is exposed to extraneous events such as terrorist attacks, outbreak of contagious diseases and extreme weather conditions.

Terrorist attacks, such as those on September 11, 2001, and their aftermath had a negative impact on the airline industry. The effects experienced by the airline industry include increased security and insurance costs, increased concerns about future terrorist attacks, airport shutdowns, flight cancellations and delays due to security breaches and perceived safety threats, and reduced passenger traffic and yields due to the subsequent drop in demand for air travel globally. Terrorist attacks, or the fear of such attacks, or otherworld events could result in decreased passenger load factors and yields and could also result in increased costs for the airline industry, including us. If any similar events or circumstances occur in the future, our business financial condition, results of operation and prospects could be adversely affected.

An outbreak of Middle East Respiratory Syndrome MERS, or another contagious disease with the potential to become a pandemic or the measures taken by the governments of affected countries against such potential outbreaks could also disrupt our operations, which could have an adverse effect on our business, financial condition, results of operation and prospects.

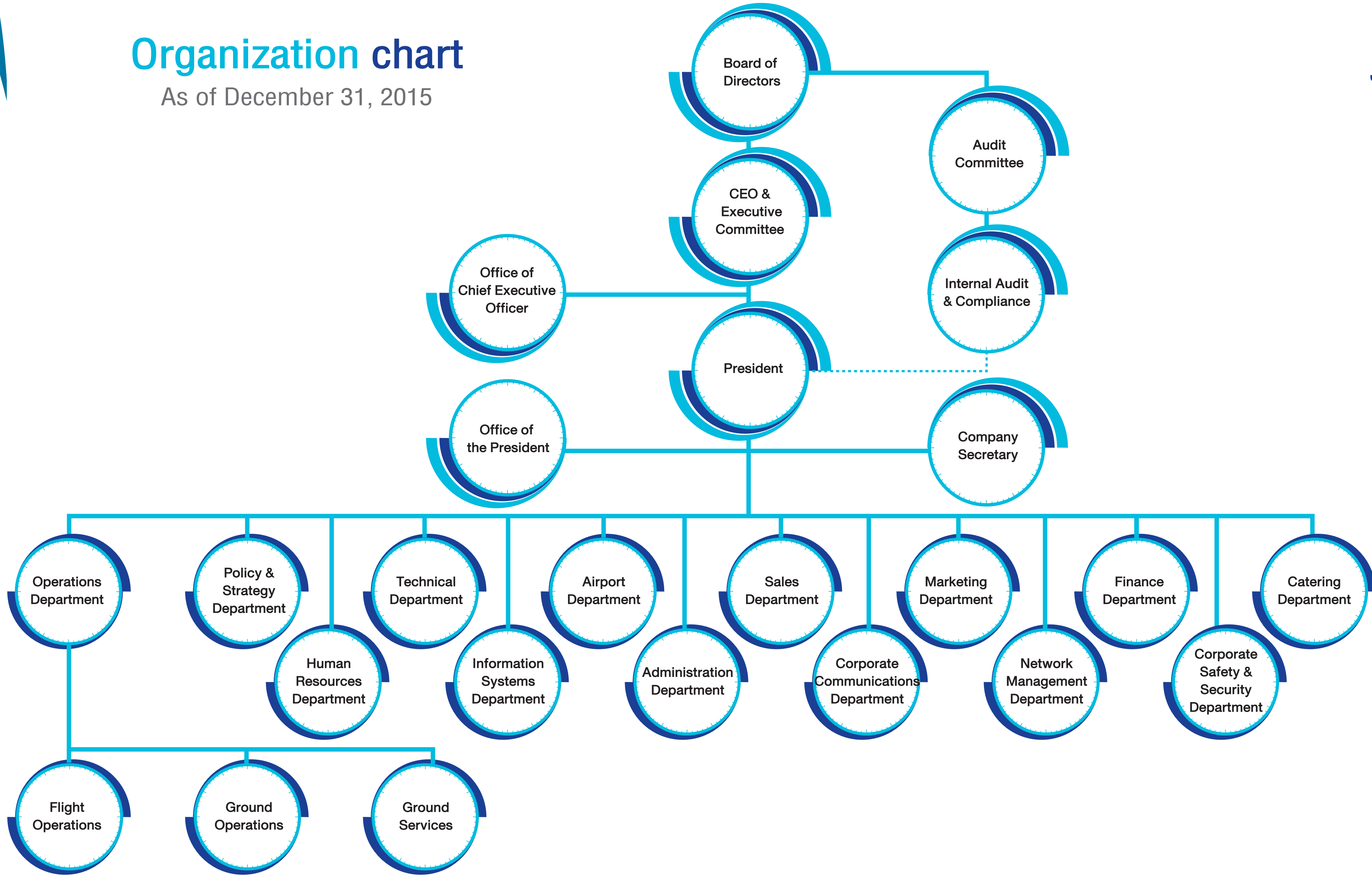
During the typhoon season or periods of other adverse weather conditions in Thailand or elsewhere, flights may be cancelled or significantly delayed. Thailand has experienced a number of major natural catastrophes over the years, including tsunamis and floods. If we delay or cancel flights for extreme weather conditions, our revenues and profits will be reduced and, notwithstanding that these events are beyond our control, passengers may blame us for such delays and cancellations. We could suffer a loss to our reputation, which could result in a loss of customers and adversely affect our business, financial condition, results of operation and prospects. In addition, adverse weather conditions in other countries or regions which feed passengers onto our route network could adversely affect the number of passengers on our flights.

The airline industry is under the supervision of international safety and operation standards

The airline industry is under the supervision of international safety and operation standards which is inspected and directed by international audit scheme. If there are any Significant Safety Concerns will get the status down on safety standard which affects directly and indirectly to the country and the office that administers all airlines in the country as well. Such effects include suspension of expanding route network, limiting flight frequency, limiting flight timetable, which will also affect the competitiveness, higher operation cost, limiting business opportunity, limiting profit making, higher leasing and insurance cost, to more strict maintenance conditions which will subsequently affect patronage decision making because safety is key for passengers to make their choice of airline service.

Organization chart

As of December 31, 2015



Fly Boutique.
Feel Unique.

Management Structure

Management Structure

The management structure of the Company is composed of the Company's Board of Directors and 3 committees: the Board of Director, the Audit Committee and the Executive Committee

1. The Board of Directors of the Company

As of December 31, 2015 our Board of Directors are as follows:

Names	Position	Remark
1. Air Chief Marshal Kaset Rochananil	Chairman	Non-executive Director
2. Mr. Prasert Prasarttong-Osoth	Vice Chairman/ Chairman of Executive Committee	Executive Director
3. Mr. Puttipong Prasarttong-Osoth	Director/ Member of Executive Committee	Executive Director
4. Pol.Lt.Gen. Visanu Prasarttong-Osoth	Director	Non-executive Director
5. Mr. Pradit Theekakul	Director / Independent Director/ Chairman of Audit Committee	Executive Director
6. Mr. Sripop Sarasas	Director / Independent Director/ Member of Audit Committee	Non-executive Director
7. General Vichit Yathip	Director / Independent Director/ Member of Audit Committee	Non-executive Director
8. Mr. Saharatna Benyakul(1)	Director / Independent Director/ Member of Audit Committee	Non-executive Director
9. Mrs. Narumol Noi-am	Director	Non-executive Director

Remark :

(1) was appointed as a Director according to the meeting consensus at 12/2015 on December 24th, 2015 to replace Mr. James Patrick Rooney who has been out of position earlier. He was registered as a Director at the Ministry of Commerce on January 7th, 2016.

Scope of Duties and Responsibilities of the Board of Directors

Policy and Governance

1. The Board of Directors shall perform duties using their knowledge and expertise for the benefit of the Company in accordance with the Company's Articles of Association andresolutions of the shareholders' meeting. Directors are authorized to perform actions indicated in the Comapany's Memorandum of Associateion, the Public Company Act and relevant laws.
2. Comply with the provisions and the good practices of listed company directors of the Stock Exchange of Thailand.
3. Determine policies and apprive matters related to the gernernal operation of the Company, such as vision, business direction, strategies, business plan, annual budgets, investment plan, and make financial decisions.
4. Monitor the operational results of the Company in order to ensure consistency with established goals and plans.
5. Procure policies on corperate governance in writing and approve such policies. The Board of Directors shall review such policies and their compliance consistently, at lease once a year.
6. Encourage the determination of code of conduct in writing in order to ensure that all directors, executive officers and employees understain ethic standard used in the Company's business operation and strictly monitor the compliance of such code of conduct.

Financial

1. Set up a reliable financial report and account audit system.
2. Procure the preparation of the Company's statement of financial position and profit and loss statement for the approval of the Annual Genaeral Meeting of the shareholders. The Board of Directors shall engage the auditors to audit such statement of financial position and profit and loss statement prior to the proposal to the shareholders

Internal Control, Internal Audit and Risk Management

1. Put in place an appropriate internal control and internal audit system by procuring the independent personnel or working unit who is responsible for the inspection of such system and review the internal control system at least once a year.
2. Set up policies on risk managment to manage and control all risks convering the organization.
3. Review or evaluate the effiecttiveness of the internal control system and the riskmanagment at least once a year.

Human Resources

With respect to the Directors

1. Filter the list of cadidates to be appointed as the Company's directors to propose for the shareholders' approval.
2. Consider forms and rules concerning the payment of remuneration of directors and sub-committees to propose for the shareholders' approval.

With respect to Chief Executive Officer and President

1. Approve the appropriate qualifications, methods and rules of the selection, including forms and rules of the payment of remuneration regarding Chief Executive Officer and President.
2. Approve rules and procedures for the evaluation of performances and results of the performances of Chief Executive Officer and President.
3. Approve the determination of the annual remuneration for Chief Executive Officer and President.

With respect to Organizational Structure, Salary Adjustment and Executive Succession Plan

1. Approve the upper-level organizational structure, including scope of duties, authorities and repsonsibilities of the management of such level.
2. Approve the pay scale and the criteria for the annual salary adjustment.
3. Approve the executive succession plan for the positions of Chief Executive Officer and President.

Management of Conflict of Interest

1. Supervise and monitor to ensure the complete compliance with laws and the Stock Exchange of Thailand's regulations in relation to procedures of actions and disclosures for the conflict of interest transactions.
2. Report to the Company on any conflicts of interests, which pertain to the management of the Company or subsidiaries, of oneself or related persons. For transparency, such transactions are to be reported to the Board of Directors whenever there is a change.
3. On the date on which the independent directors accept the appointment and every year afterwards, the independent directors shall submit a confirmation letter to the Company to ascertin thier independecy as defined by the Company.

Communication with the Shareholders

Provide appropriae and regular communication chanels to the shareholders and porvide transparent of disclosure of information in accordance with standards.

Investment

1. Our Board of Directors is authorized to approve any investment that does not carry an unacceptable level of risk of the Company.
2. Authorize the Executive Committee to approve investments not exceeding THB500.0 million per transaction. The Executive Committee is required to present to our Board of Directors for acknowledgment, such approval of invesment. The Executive Committee is required to present to our Board of Directors for approval, any investments in securities of entities which are connected or related to the Company or its directors or management, and any director(s) related to such entities will not attend or vote.

Others

1. Appoint the Company's corporate secretary according securities and exchange laws.
2. Establish charters of the Board of Directors and sub-committees and approve sugesstions proposed by the sub-committees in the adjustment of the content in such charters to be updated and compatible with changing rules, regulations and circumstances.
3. Perform other duties as precribed in the notifications, regulations, acts or laws governing the Company.

The above authority duties and responsibilities shall not apply to any person with possible conflict, interest or conflict of interest in any other form with the Company or subsidiaries. Furthermore, it does not include actions in connection with the connected transactions and acquisition/sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. The Company must act in accordance with regulations and guidelines of the Stock Exchange of Thailand or other related notifications on the related matter. In addition, the above authority duties and responsibilities shall not include any matter that is required by the Articles of Association to be approved by the shareholders. The Executive Committee or the authorized persons by the Executive Committee shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

2. Executive Committee of the Company

To enable the Company's operation to be efficient and timely in line with circumstances, with the best benefit of the Company, the Board of Directors appointed the Executive Committee of the Company.

As of December 31, 2015 the Executive Committee of the company consists of four following directors and executive officers with the office term of 3 years.

Names of Members of Executive Committee	Positions
1. Mr. Prasert Prasarttong-Osoth	Chairman of Executive Committee
2. Mr. Puttipong Prasarttong-Osoth	Member of Executive Committee
3. Mr. Pradit Theekakul	Member of Executive Committee
4. Mr. Anawat Leelawatwatana	Member of Executive Committee

Scope of Authorities and Duties of the Executive Committee

Policy and Governance

1. Determine vision, business direction, policies, and strategies of the Company to propose for the Board of Directors' approval.
2. Review business plan, annual budgets, annual expenses, investment plan, Corporate Social Responsibility plan, of the Company to be in line with laid down policies and strategies, and propose for the Board of Directors' approval.
3. Supervise the Company's operation to be line with the specified plans, including laws, rules and regulations of the relevant authority agencies and rules and the Articles of Association of the Company.
4. Consider the summary report of the Company's operation and propose for the Board of Directors' approval.

Financial

1. Approve capital expenditures and operating expenses, including expenses for public interest or charity, which is not included in the annual budget, for the amount not exceeding Baht100,000,000 except that expenses for the investment in real estates, i.e. lands and/or buildings, leasehold rights in lands and/or buildings, which shall be registered with the land offices, shall be apprved by the Board of Directors in any case. On July 24, 2014, the Company's Board of Directors adopted an adjustment to the scope of duthorities, duties and responsibilities of the Executive Committee to cover the approval of the investment and expenses in emergency in order to smooth the management of the Company. The President is authorised to pre-approve capital expenditures and operating expenses, including expenses for public interest or charity, , which is not included in the annual budget within the above specified amount and shall then propose to the Executive Committee afterwards.
2. Approve or review loan facilities made to subsidiaries within the limit of Baht100,000,000; propvided that 5% of the issued and paid-up shares of such subsidiaries shall not be held by ralated persons of the Comapany, and report to the Board of Directors in the subsequent meeting.

Internal Control, Internal Audit and Risk Management

Ensure that the Company has an effective and appropriate operational system for internal control and the management and control of risks and comply with suggestions and comments from the Audit Committee.

Human Resources

1. Consider and review forms of oreganizational structure and the scope of authorities, duties and responsiblities of upper-level personnel (President-level) to propose for the Board of Directors' approval.
2. Approve the executive succession plan.
3. Approve the appointment, transfer or removal of executive officers (from the position of Vice President). Determine and approve the list of directors and the managing director of subsidiaries to serve as guidelines for such subsidiaries to have such list further approved according to laws and rules and regulations of each subsiduary.
4. Consider and review the structure of pay scale and the pinciples of annual salary adjustment of the Company and subsidiaries (however excluding Chief Executive Officer and Presidet) to propose for the Board of Directors' approval.

Investment

1. Authorized to approve any investment with the amount not exceeding Baht500,000,000 per transaction.
2. The Executive Committee is required to present to our Board of Directors for approval, any investments in securities of entities which are connected or related to the Company or its directors or management , and any director(s) related to such entities will not attend or vote.

Others

1. Delegate a working team to solve any problem in compliance with the Company's policies.
2. Annually review the Executive Committee's charter. If the Executive Committee views that it is neccessary to amend any content in such charter to be compatible with changing rules, regulations and circumstances, the Executive Commitee shall to further propose for the Board of Directors' approval.
3. Perfrom other dutues as assigned by the Board of Directors.

The above authority duties and responsibilities shall not apply to any person with possible conflict, interest or conflict of interest in any other form with the Company or subsidiaries. Furthermore, it does not include actions in connection with connected transactions and acquisition/sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. The Company must act in accordance with regulations and guidelines of the Stock Exchange of Thailand or other related notifications on the related matter. In addition, the above authority duties and responsibilities shall not include any matter that is required by the Articles of Association to be approved by the shareholders. The Executive Committee or the authorized persons by the Executive Committee shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

3. Audit Committee

The Audit Committee of the Company consists of three independent directors, who are qualified according to the SET and the Capital Market Supervisory Board regulations. As of December 31, 2015, the Audit Committee of the Company is comprised of the following non-executive directors

Names of Members of Audit Committee	Positions
1. Mr. Sripop Sarasas	Chairman of Audit Committee
2. General Vichit Yathip	Member of Audit Committee
3. Mr. Saharatna Benyakul [1]	Member of Audit Committeee

Remark :

[1] was appointed as a Director according to the meeting consensus at 12/2015 on December 24th, 2015 to replace Mr. James Patrick Rooney who has been out of position earlier. He was registered as a Director at the Ministry of Commerce on January 7th, 2016.

Mr. Sripop Sarasas is a member of the Audit Committee who has sufficient knowledge and experience to review the reliability of the financial statements.

In this regards, Mr. Kasem Akanesuwan is the secretary of the Audit Committee. The scope of authority, duties and responsibilities of each member of the audit committee is outlined below.

Policy and Compliance

The audit committee is required to review and maintain compliance with the rules and regulations of the SET securities law and the law relating to the business of the Company.

Financial

The audit committee is required to:

1. review that the Company's reports and disclose the correct and credible financial report and to cooperate with the external auditor and the management in preparing financial report which are in compliance with the prescribed period by the SET, laws and other applicable government authorities;
2. consider, select and nominate an independent auditor and to propose such auditor's remuneration, as well as to attend a non-management meeting with such auditor at least once a year; and
3. provide an independent and proper procedure for the employees to report evidence relating to unreasonable financial details.

Internal Control, Internal Audit and Risk Management

The audit committee is required to:

1. review the internal control and internal audit system and ensure that they are suitable and efficient and together with the internal and in independent external auditors and, to assess the internal audit unit's independence;
2. review evidence from internal investigations where there are suspicions that corruption has occurred or the existence of unreasonable flaws in the internal control procedure and to report these to the Board of Directors;
3. investigate the evidence where there is suspicion of violations of law or regulations of the SET, which materially affect or may materially affect the financial condition and the business operation of the Company;
4. hire or procure a professional specialist to assist in the inspection and investigation, according to the Company's regulations, in cases where there are suspicions of transactions or acts which may materially affect the financial condition and operating results;
5. approve the appointment, transfer, dismissal and evaluation of the performance of the chief of internal audit, if the Company establishes an internal audit unit. If the Company hires an internal audit company, the Audit Committee shall approve the hiring and propose the remuneration;
6. review organizational risk management and recommend an efficient and suitable risk management approach relating to business operations; and
7. review risk management reports, track potential risks and report on the adequacy of the internal control system and risk management to the Board of Directors.

Conflict of Interest Management

The audit committee is required to review related party transactions, or any transactions that may lead to conflicts of interest, and ensure that they are done in compliance with laws and the regulations of the SET and are reasonable and beneficial to the Company

Other

The audit committee is required to:

1. prepare and disclose in the annual report, the audit committee's report, which must include information mandated by the SET regulations and related regulations;
2. annually review the Audit Committee charter to ensure that it contains the minimum scope of operational requirements for the Audit Committee as prescribed by the regulations of the SET and to also ensure that it includes adequate support to the AuditCommittee's operation, such as the hiring of a professional specialist to opine on the specific subjects which require specialized expertise. If the Audit Committee is of the opinion that the Audit Committee charter needs to be amended to be in compliance with the rules and regulations, the Audit Committee shall seek the approval of the Board of Director; and
3. to perform any other act as assigned by the Board of Directors.The Audit Committee is accountable to the boards of directors of the Company. The office term of the chairman of the Audit Committee is three years.

4. Executive Officers

As of December 31, 2015, our executive officers consist of the following persons:

Names of Executive Officers	Positions
1. Mr. Prasert Prasarttong - Osoth	Chief Executive Officer
2. Mr. Puttipong Prasarttong - Osoth	President/Executive Vice President - Flight And Ground Operations
3. Mr. Pradit Theekakul	Executive Vice President - Administration and Board of Directors/ Senior President Office Director
4. Mr. Chirstophe Clarenc	Senior Vice President - Technical
5. Mr. Peter Wiesner	Senior Vice President - Network Management
6. M.L. Nandhika Varavarn	Vice President - Corporate Communication
7. Mrs. Ariya Prasarttong - Osoth	Vice President - Sales
8. Mr. Narongchai Tanadchangsaeng	Vice President - Airport
9. Mr. Viroj Satitharopagorn	Vice President - Accounting
10. Mr. Prote Setsuwan	Vice President - Marketing
11. Mr. Ping naThalang	Vice President - Corporate Safety
12. AM. Dechit Chareonwong(1)	Vice President - Flight Operations
13. Mr. Kasem Akanesuwan	Vice President - Internal Audit and Compliance
14. Mr. Anawat Leelawatwatana	Deputy Vice President - Finance/Corporate Secretary
15. Ms. Aninya Netprapai	Deputy Vice President - Administration
16. Mrs. Narumon Chainaknan	Executive Secretary to CEO office (Vice President)

Remark : (1) was appionted on November 1st, 2015. To replace Wg. Cdr. Sarawut Thonglek who was out of position on Oct 31, 2015

(A) Scope of Authorities, Duties and Responsibilities of Chief Executive Officer

Scope of Authorities, Duties and Responsibilities of Chief Executive Officer can be outlined as follows:

Policies and Governance

1. Jointly with the Executive Committee, supervise the determination of vision, business direction, policies, and strategies of the Company
2. Communicate vision, business direction, policies, and strategies of the Company as approved by the Board of Directors to senior executives of the Company as the outline in preparing work plans and managing business of each unit.
3. Ensure that the Company put in place business plan, annual budget plan, investment plan and Corporate Social Responsibility plan, of the Company to be in line with laid down policies and strategies. Consider such plans as propose for the Executive Committee's consideration.
4. Supervise the Company's operation to be line with the specified plans, including laws, rules and regulations of the relevant authority agencies and rules and the Articles of Association of the Company in order to achieve the targeted performances, in terms of both monetary and non-monetary.
5. Supervise the management of the Company to be transparent.

Financial

1. Approve expenses incurred according to the business approved by the Board of Directors, the Executive Committee and according to the authorization.

Internal Control, Internal Audit and Risk Management

1. Ensure that the Company has an appropriate operational system for internal control according to guidelines assigned from the Executive Committee and/or the Audit Committee.
2. Ensure that the Company has an appropriate system for the management and control of risks according to guidelines assigned from the Executive Committee and/or the Audit Committee.

Human Resources

1. Supervise the management of human resources of the Company in general.

Communication with the Shareholders

1. Acting as the Company's representative in communicating with the shareholders.
2. Encourage the Board of Directors in providing regular and appropriate communication channels with the shareholders. Provide transparent disclosure according to standards.

Relationship with Third Parties

Acting as the Company's representative in relation to public relation, particularly building networking and promoting the Company's good image nationally and internationally.

Others

Perform other duties as assigned by the Executive Committee

The Executive Committee or the authorized persons by the Executive Committee shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

(B) Scope of Authorities, Duties and Responsibilities of President

Scope of authorities, duties and responsibilities of President can be laid out as follows:

1. Determine vision, mission, objectives, goals of the Company in determining the business direction in order to create a clear outline for everyone in the Company to comply systematically, and in the same direction.
2. Ensure that the Company conducts its business with integrity on the basis of rules, regulations and laws concerning transparency, and that the operation is accountable and fair to the shareholders, customers and all related parties.
3. Monitor and supervise results of operation and business performance and report to the Board of Directors and shareholders in order to estimate the tendency and determine the business direction.
4. Set policies in order to set managerial capability of the management for the preparation of the Company's personnel development, with an aim to the Company's survival and sustainable growth.
5. Determine long-term growth course to be ready for changes that might occur from economic environment and competitors to enhance the Company's effectiveness and potential in competing.
6. Manage, command, control and monitor the performance of the supervisees.
7. Manage the business under ethics and good governance, while being responsible to society and environment in both short-term and long-term, which will lead to sustainable development.
8. Perform other duties as assigned by the Board of Directors.The President or the authorized persons by the President shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

5) Table of Authority

The Company's Board of Directors determined that certain transactions such as the annual investment budget, the proposal of annual expense budget, the approval of interim urgently required projects or assets exceeding THB 100.0 million, the approval of out-of-budget expenses exceeding THB100.0 million, the procurement, purchase and long term lease of aircraft and entering into agreements or transactions with related party on terms out of the ordinary course and the investment in business or securities for value of more than THB500,000,000 require approval from the Board of Directors.

Our executive directors are required to present to our Board of Directors, any investments in securities of entities which are connected or related to the Company or its directors or management, and any director(s) related to such entities will not attend or vote.

3. Nomination and Appointment of the Board of Directors and Senior Executive Officers

1) Independent Directors

Qualifications of Independent Directors shall be as prescribed by the relevant Notification of the Capital Market Supervisory Board which can be summarized as follows:

1. Holding not exceeding 1% of the total shares with voting rights of the Company, its parent company, its subsidiary company, its associated company, or person who may have conflict of interest or controlling person of the Company, inclusive of the shares held by any related person of such independent director (related person shall mean person pursuant to Section 258 of the Securities and Exchange Act.);
2. Not being, nor having been, a director who participates in the management, an employee, staff member or advisor who receives a regular salary, or a controlling person of the Company, its parent company, its subsidiary company, its associated company, its subsidiary company at the same level, major shareholder or controlling person of the Company, unless the holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application to the Securities and Exchange Commission. However, such prohibition shall not apply in the case where such independent director has been a government official or consultant of the government sector, which is a major shareholder, or controlling person of the Company.
3. Not being a person who has a relationship by blood or registration under laws, as father, mother, spouse, sibling, and child, including spouse of child, of its executive officers, its major shareholder, its controlling person or the person who will be nominated to take up the position of director or executive officer or controlling person of the Company or its subsidiary;
4. Not having, or not having had, any business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company in a manner which may obstruct his independent judgment. Additionally, not being or not having been a substantial shareholder or controlling person of a person who has a business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, unless such business relationship has been discontinued for at least two years before the date of submission of the application to the Securities and Exchange Commission.
5. Not being, or not having been, an auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder, controlling person ofthe Company, major shareholder or controlling person or the partner of the audit company for which the auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application to the SEC;

6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, and not being major shareholder or controlling person or the partner of such professional service provider, unless such business relationship has been discontinued for at least two years before the date of submission of the application to the SEC;

7. Not being a director nominated to be a representative of a director of the Company, major shareholder or shareholder who are related persons to the major shareholder;

8. Not undertaking any business which has the same nature as and is in competition with the business of the Company or its subsidiary company or not being a partner of the partnership or a director who participates in the management, an employee, a staff member, or advisor who receives a regular salary or holds shares exceeding 1% of the total shares with voting right of other companies which undertakes business of the same nature as and is in competition with the business of the Company or its subsidiary company; and

9. Having no other qualifications causing any inability to express independent judgment in respect of the Company's business operation.

2) Directors and Executive Officers of the Company

The Company has not set up a Nominating Committee, whereby the Board of Directors shall set a criteria for selection of directors and executives of the Company pursuant to policies on Good Corporate Governance as specified by the Stock Exchange of Thailand with transparency as per the Corporate Governance principle.

If there is a vacancy or a need for additional member in the Board of Directors, the Board of Directors shall select and propose nominees to fill the vacant or additional position by considering the appropriate knowledge, capabilities and business-related experiences that will be beneficial for the Company. The selected directors for the Company shall meet all the legal requirements according to Section 68 of the Public Company Limited B.E. 2535 (as amended) and the Notification of the Securities and Exchange Commission, and shall not fall within prohibited characteristic under the Securities and Exchange Act and relevant regulations. After the Board of Directors Meeting comes to a decision, the selected nominee will be proposed to the shareholders' meeting for consideration (in a case-to-case basis).

The composition, appointment and withdrawal of the Board of Directors of the Company shall be as prescribed by the Article of Association which can be summarized as follows:

1. The Board of Directors of the Company shall consist of at least five directors to conduct the business of the Company. Not less than one half of all directors shall have residence in the Kingdom of Thailand.
2. The appointment of a director shall be made by a majority vote at the shareholders' meeting in accordance with the following conditions and procedures:
   (1) One ("1") share represents one ("1") vote. Each shareholder shall exercise all of his voting rights to elect one or several persons as a director or directors, but the shareholder cannot divide his or her votes to any nominated director in any number;
   (2) Each shareholder shall vote to elect directors on an individual basis;
   (3) The persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be appointed. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding chairman shall have an additional casting vote.
3. At every Annual General Meeting, one-third of the total number of the directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been in office for the longest term shall retire. The retiring directors are eligible for re-election.
4. Any director wishing to resign from the director's position shall submit a resignation letter to the Company. The resignation shall take effect upon the date on which the resignation letter reaches the Company.
5. The shareholders' meeting may pass a resolution to remove any director prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the shares held by them shall not, in total, be less than one half the number of the shares held by the shareholders attending the meeting and having the right to vote.

3) Audit Committee

1. The Company's Board of Directors shall appoint at least three members of Audit Committee from independent directors whose qualifications meet the requirements per the Notification of the Capital Market Supervisory Board and the Stock exchange ofThailand. A member of the Audit Committee will have to be qualified pursuant to requirements per the Notification of the Capital Market Supervisory Board including the followings

2. Not being a director authorized by the Board of Directors to make any decision in the business operation of the Company, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, major shareholder or person who may have conflict of interest of the Company;

3. Not being a director of a parent company, its subsidiary company or its subsidiary company at the same level which is a listed company;

4. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member;

5. Must not be an Audit Committee member of a listed companies which in the same business or industry with the Company, and shall not be an Audit Committee member in other listed companies in the Stock Exchange of Thailand more than 5 companies, which may result in lack of performance in some companies.

   At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of the financial statements of the Company.

4. Supervision of Subsidiaries and Associated Companies

The Company will supervise the operation of subsidiaries and associated companies as follows

(1) Appoint the Company's director or executives who have qualifications and experience suitable for that particular business which approved by the Company's Board of Directors to represent the Company on the Board of Directors of the subsidiaries and associated companies. Duties of such representative is in determining the policy and supervise the operation of business of the subsidiaries and associated companies as assigned by the Company's Board of Directors.

(2) Procure the subsidiaries to set the policies on entering into transactions between the subsidiaries and connected persons, and policies on the entering into acquisition and disposition of assets to be in compliance with relevant laws, regulations, notifications, rules, circulars by the Securities and Exchange Commission.

(3) Procure the subsidiaries to prepare financial report to show financial status and operation performance on the basis of correct, complete, and sufficient accounting information pursuant to generally acceptable accounting standard, as well as report on related party transaction between subsidiaries and persons who may have conflict of interest, including acquisition and disposition of assets of such subsidiaries, and report to the Company's Board of Directors' at least four times a year.

(4) Procure the subsidiaries which perform core business to set up an Internal Audit Unit or internal auditor from outsource to prepare work plan for conducting internal audit of such subsidiaries annually, and audit as per annual work plan which is approved by the Company's Audit Committee. The Company shall procure the subsidiaries to have report of monitoring and suggestion relating to internal control system on its sufficiency, and to procure that its employees, executives and directors of the subsidiaries have performed in accordance with internal control policy and report to the Board of Directors of the subsidiaries regularly.

5. The Use of Internal Information

The Company has set the policy and procedure for the directors and executives in using the inside information that has not been made public for personal interest as follows:

1. Educate the directors and executives regarding their duties in reporting the Securities Holding Reports for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act, along with the Acquisition or Disposal of Securities Report for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 246, and the penalty as prescribed in Article 298 of the Securities and Exchange Act
2. The directors and executives of the Company, along with their spouses, and their minor children shall prepare and disclose the Securities Holding Reports and the Acquisition or Disposal of Securities Report of the Company's securities to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act, and copies of such reports shall be submitted to the Company on the same day as submitted to the Securities and Exchange Commission
3. Directors, executives and employees of the Company and its subsidiaries, who have an access of any material inside information that can affect price of stocks, shall take precaution in trading of the Company's securities within 30 days before the financial statements or such inside information are disclosed to the public and within 24 hours after the said information is made available to the public. The person related to the information shall not disclose the information to the third party before the information is disclosed to the Stock Exchange of Thailand.
4. Directors, executives and employees of the Company shall not use any inside information received from their positions, that can affect price of the Company's securities and has not been disclosed to the public, for trading, or offering to buy or sell, or persuade others to buy or sell, or to trade other shares or securities (if any) of the Company, directly or indirectly, which may cause any damage to the Company directly or indirectly, regardless for their own interests or for others', nor shall they disclose the said information to others for compensations or nothing.

6. Auditor Fee

In the fiscal year ending December 31, 2015, the Company has paid the audit fee to Ms. Pimjai Manitkajohnkit from EY Office Limited for the audit of the financial statement in the amount of Baht 5.1 million.

The Meetings of the Board of Directors

• Board of Directors Meetings

In 2015, the Company set up 12 meetings of the Board of Directors with the details as follows:

Names of Directors		Number of Meetings Attended 2015
1.	Air Chief Marshal Kaset Rochananil	9 / 12
2.	Mr. Prasert Prasarttong-Osoth	12 / 12
3.	Mr. Puttipong Prasarttong-Osoth	12 / 12
4.	Pol.Lt.Gen. Visanu Prasarttong-Osoth	8 / 12
5.	Mr. Pradit Theekakul	12 / 12
6.	Mr. Sripop Sarasas	12 / 12
7.	General Vichit Yathip	11 / 12
8.	Mr. James Patrick Rooney	9 / 12
9.	Mrs. Narumol Noi-am	11/12
10.	Mr. Saharat Benyakul [1]	-

Remark :
[1] was appointed as a Director according to the meeting consensus at 12/2015 on December 24th, 2015 to replace Mr. James Patrick Rooney who has been out of position earlier. He was registered as a Director at the Ministry of Commerce on January 7th, 2016.

• The Meetings of the Audit Committee

In 2015, the Company set up 4 meetings of the Audit Committee with the details as follows:

Names of Members of Audit Committee		Number of Meetings Attended 2015
1.	Mr. Sripop Sarasas	4/4
2.	General Vichit Yathip	3/4
3.	Mr. James Patrick Rooney	2/4
4.	Mr. Saharatna Benyakul [1]	-

Remark :
[1] was appointed as a Director according to the meeting consensus at 12/2015 on December 24th, 2015 to replace Mr. James Patrick Rooney who has been out of position earlier. He was registered as a Director at the Ministry of Commerce on January 7th, 2016.

5. The Corporate Secretary

The Company's Board of Directors appointed Mr. Anawat Leelawatwatana as the Company's Corporate Secretary since March 13, 2013, with the duties and responsibilities as prescribed in the Securities and Exchange Act.

6. Compensation of Directors and Executive Officers

Monetary Compensation

(a) Remuneration of Directors

In 2015, the total remuneration paid to our nine directors was THB 38.83 million, which was paid in the form of meeting allowance and annual returns with the following details:

	Names of Board of Directors and Positions		Total Remuneration as Directors (million Baht) In 2015
1.	Air Chief Marshal Kaset Rochananil	Chairman	8.64
2.	Mr. Prasert Prasarttong-Osoth	Vice Chairman	7.44
3.	Mr. Puttipong Prasarttong-Osoth	Director	5.37
4.	Pol.Lt.Gen. Visanu Prasarttong-Osoth	Director	3.18
5.	Mr. Pradit Theekakul	Director	3.90
6.	Mr. Sripop Sarasas	Chairman of Audit Committee	3.42
7.	General Vichit Yathip	Director	3.31
8.	Mr. James Patrick Rooney	Director	0.29
9.	Mrs. Narumol Noi-am	Director	3.27
10.	Mr. Saharat Benyakul(1)	Director	-

Remark :

(1) was appointed as a Director according to the meeting consensus at 12/2015 on December 24th, 2015 to replace Mr. James Patrick Rooney who has been out of position earlier. He was registered as a Director at the Ministry of Commerce on January 7th, 2016.

(b) Remuneration of Executive Officers

In 2015, the total remuneration paid to the chairman of the Executive Committee, the President and our 16 executive officers of was approximately THB 221.9 million, which was paid in the form of salary, bonus and other remunerations.

Non-monetary Remuneration

Other benefits provided to the Company's directors are detailed and conditioned as follows:

1. A director is entitled to benefit of the medical treatment expense in the amount for each director not exceeding THB 1,000,000 per year and in total not exceeding THB 2,000,000 during his term.
2. A Director and one follower are entitled to the Company's airplane tickets for not exceeding 24 airplane tickets per year.
3. When flight schedule is available, a director is entitled to use the Company's aircrafts of not exceeding 100 hours per year for the activities of the Company and/or of the Board of Directors and/or the directors and such activities are beneficial to the Company; or promote the image of the Company or promote the Company's business; or for public interest, corporate social responsibility and other special missions.
4. The Company shall provide the Directors and Officers Liabilities Insurance for the benefits of the directors and managements of the Company

7. Employees and Training

Overview

As of December 31, 2015, the Company had the total employees of 2,613, which can be divide by function and locations as follows:

	As of December 31, 2015
Flight crew :	
Pilots	328
Flight attendants	581
Ground Personnel:	
Ground services	323
Maintenance	248
Other centralized functions :	
Marketing, reservations and sales Cargo	161
Others	972
Total	**2,613**

We are determined to have highly-skilled, dedicated and efficient pilots, engineers and other personnel. Our growth plans will require us to hire, train and retain a significant number of new employees in the future. From time to time, the airline industry has experienced a shortage of skilled personnel, especially pilots and engineers. We recognize the need to ensure continuity in our management in order to maintain our edge over our competitors. Our directors believe that our continued success depends, among other factors, on the support and dedication of our management personnel. We have put in place human resource strategies, which include competitive compensation, fit-for-purpose recruitment and a succession plan.

We hire both experienced licensed pilots from the military and lateral hires from other airlines. We also hire qualified commercial pilots with no type ratings. Such pilots are required to obtain 250 flight hours prior to becoming licensed. In addition, during recent years we have recruited, and we will continue to recruit, university graduates directly and guarantee them with jobs at Bangkok Airways following graduation from local pilot schools (at their own expense).

We have made efforts to motivate and retain our staff through performance-based incentives, and to enhance employees' skills and competencies by providing training. To this end, we engage our employees continuously in conferences and training for them to acquire and enhance relevant skills and competencies. On-the-job training is another significant approach of transferring knowledge from specialists to new or junior employees. The investment in human capital increases the competency of our existing employees. In addition, these development activities serve to groom the lower and middle management staff to progressively assume the responsibilities of senior management

Provident Fund

We have established the Provident Fund on 1 January 1999 with SCB Asset Management Co., Ltd. with an objective to encourage long term saving by the employees and to create security for the employees and their family in case of resignation, retirement or death. In addition, the Provident Fund will incentivize the employees to work with the Company in the long period and will foster relationship between the Company and the employees which will increase work efficiency. Subsequently on 14 December 2000, the Company appointed "The Mutual Fund Co., Ltd.", (later changed to MFC Assets Management Public Company Limited.) to be provident fund management company. The Company makes a contribution at a rate of 3-8 percent of the salary of the employees, and each employee makes a contribution at a rate of 3-8 percent of the salary of each employee, to the provident fund.

Human Resource Development Policy

The executives and employees

The company continuously promotes and supports the employees' capacity development. There were both inside and outside training sessions for the executives and employees at all levels according to the Training Development Framework that was created internally in accordance to the company's core values, core competency, and managerial competency. Moreover, the company focuses on developing the program to suit everyone in the organization by joining hands with leading training institutions or the Universities to develop the coursework both in short and long programs, for instance, the Fundamental Program, Leadership Development Program, Supervisory Skills. Additionally, there are also general training i.e. Communication Development Program, Thinking Skill Development Program, Service Design Programs. These are all aimed at responding the company's annual strategy as well as heightening all personnel to be well equipped with knowledge, skills, and on-job capability.

Besides those programs, the company also organized a Career Development Program which is part of the Individual Development Plan – IDP) to offer opportunity for employees to have hands-on experience in a particular department through job rotation scheme. This will make each employee get to develop their skill in a wider perspective. After the course, the employee will be evaluated from the trainers so that the department head is able to make use of the evaluation to make a proper IDP.

Pilot Training

We continuously train and develop the skill and knowledge of our pilots through a combination of both ground and our in-flight simulator training program, which is in compliance with standards set by DCA, ICAO, IATA and other leading airline alliances. Such training program focuses on pilots' knowledge and understanding in aircraft operation, aircraft system and emergency procedures and incorporates in-flight simulator training every six months. In addition, we also provide academic courses on an annual basis which include:

- Crew Resource Management
- Fire Fighting
- Dangerous Goods
- Aviation Security
- Aviation Security
- Slide and Wet Drill and Flight Safety
- Low Visibility Operation

In order to ensure that pilots are capable of operating the aircraft safely and properly and are able to resolve efficiently any problems which may occur during flights. In addition, we also encourage pilots and pilot instructors to attend external seminars or training held in Thailand or other foreign countries so that they may assist in developing our training program.

Flight Attendant Training

We continuously train and develop the skill and knowledge including the attitude of our flight attendants through a combination of both ground and our training program, which is in compliance with standards set by DCA, ICAO, IATA and other leading airline alliances. Such training program focuses on competence in assisting passengers under normal and emergency circumstances and customer services. We also provide annual academic courses similar to those provided to our pilots, including First Aid training in order to ensure that flight attendants are capable of taking care of in-flight services and properly respond to each group of customers. In order to further enhance our in-flight service, we also encourage cabin crew instructors to attend external seminars or training held in Thailand or elsewhere so that they can assist in developing our training program.

Fly Boutique.
Feel Unique.

Capital Structure

Capital Structure

As of December 31, 2015, the Company's registered capital was THB 2,100 million, dividing into 2,100 million ordinary shares with the par value of THB1 and the paid-up capital of the Company was THB2,100 million, dividing into 2,100 million ordinary shares with the par value of THB1. The ordinary shares of the Company were listed in the Stock Exchange of Thailand on November 3, 2014, in the sector of Transportation and Logistics, the industry of Services, with the trading symbol of "BA".

• Shareholders

As of October 9, 2015, the Company has its top 10 shareholders with details as follows:

Names of Shareholders	As of 9 October 2015	
	Number of shares	%
1. The Group of Puttipong and Dennapa Prasarttong-Osoth:	523,642,700	24.94
- Puttipong Prasarttong-Osoth	523,387,900 [1]	24.93
- Dennapa Prasarttong-Osoth	254,800 [1]	0.01
2. Poramaporn Prasarttong-Osoth	331,600,020 [1]	15.79
3. Ariya Prasarttong-Osoth	281,073,000 [2]	13.38
4. The group of Prasert and Vanli Prasarttong-Osoth:	164,773,600	7.84
- Prasert Prasarttong-Osoth	164,523,600 [1]	7.83
- Vanli Prasarttong-Osoth	250,000 [1]	0.01
5. Bangkok Bank Public Company Limited	105,000,000	5.00
6. Somruthai Prasarttong-Osoth	77,542,900	3.69
7. Sahakol Estate Co., Ltd.[1]	63,934,400	3.04
8. Bualuang Long-term Equity Fund	48,654,900	2.32
9. Thai NVDR Co., Ltd.	25,501,787	1.21
10. Bualuang Long-Term Equity Fund 75/25	25,439,000	1.21

Remark
[1] Update on February 3, 2016 (form 246-2)
[2] Update on February 3, 2016
[3] Sahakol Estate Co., Ltd. is a wholly owned company by Prasarttong-Osoth family.

Dividend Policies of the Company and Subsidiaries

The board of directors of the Company or the subsidiaries may consider the dividend payment to the shareholders as per the following policies

Dividend Policies of the Company

The Company has a policy to pay dividends at the rate of not less than 50.0% of the Company's separate net profits after deducting corporate income tax and other reserve funds as required by law and our Articles of Association. However, our dividend payment policy may be subject to changes, depending on the business expansion and our demand in use of funds in each year, as necessary and suitable, as our board of directors deems appropriate, subject to our shareholders' approval. For the payment of interim dividends, our board of directors may approve to pay the interim dividends from time to time when our board of directors views that the Company has sufficient net profits to do so.

Dividend Policies of Subsidiaries

Dividend payments by each of our subsidiaries is subject to shareholders' approval in accordance with such subsidiary's respective board of directors' recommendation. The following factors are taken into account when considering dividend payment: the results of operation, liquidity, cash flows and financial status of each subsidiary, conditions and limitations of the dividend payment as provided in the relevant loan agreements, debentures or other related agreements with which each subsidiary must comply, future business plans, investment capital requirement and other factors as deemed appropriate by such subsidiary's board of directors.

Corporate Governanace

The Company upholds and complies with the principles of good corporate governance in operating the Company's business by the directors, management and employees and considers that the principles of good corporate governance is an essential factor to support the overall achievement of the Company as the organization responsible for the society. The Company's policies on corporate governance will comply with the guideline on good corporate governance in accordance with the Principles of Good Corporate Governance for Listed Companies, 2012 set by the Stock Exchange of Thailand. The details of the policies on Good Corporate Governance are as follows:

1. Good Corporate Governance

The policies on Corporate Governance complies with the Principles of Good Corporate Governance for Listed Companies, 2012 set by the Stock Exchange of Thailand as a guideline in preparing the policies on corporate governance of listed companies, which cover the following topics:

1. Rights and equal treatment of shareholders and the shareholders' meetings
2. Policy on Treatment Towards Stakeholders
3. Disclosure and transparency
4. Responsibility of the Board of Directors and the Sub-Committees
5. Code of Conduct and Ethics

1. Rights and Equal Treatment of Shareholders and the Meeting of Shareholders

1.1. Rights and Equality of Shareholders

The Company is responsible to shareholders in disclosure of information, preparation of financial statements, utilization of insider information and conflict of interest. The management must possess ethics and any decisions made must be made with honesty and integrity, as well as be fair to major and minor shareholders for the benefit as a whole. The Company is aware of its responsibility in assigning importance to rights without bias and with equal treatment of all shareholders. It is the Board of Directors' duty to protect the rights and interests of the shareholders, including the right to receive dividends and the right to receive sufficient and relevant information regularly and in a timely manner. Moreover, the Company has the duty to disclose information with transparency and show responsibility of management by holding the shareholders' meetings. The Board of Directors has the policy to support and encourage all group of shareholders, including institutional investors, to attend the shareholders' meetings. Furthermore, the Company has the policy to support the disclosure of information and business transactions so that the shareholders may clearly understand the Company's operations. The Company has an intention to promote equality for all shareholders by which the major and minor shareholders, institutional investors and foreign investors will equally receive information on business operations, management policy and the financial statements of the Company and have the right to be treated fairly.

At each shareholders' meeting, the Company will distribute the letters of invitation in advance to inform the shareholders of the date, time and meeting agenda as well as opinion of the Board of Directors on each agenda and other documents so that the shareholders may be well informed when making the decision to vote. In the letter, the Company also informs shareholders of their rights in attending the meetings and their voting rights, including the rules relating to the shareholders' rights to submit questions in advance of the meeting. In addition, the shareholders shall receive proxy forms to allow the shareholders to appoint an authorized representative to attend the meetings and vote on their behalf. Moreover, to provide another channel in protecting shareholders' rights, the Company suggests the shareholder to appoint an independent director as proxy to attend the meeting and vote on the shareholder's behalf in the case that the shareholder cannot attend a particular meeting. In appointing such proxy, the shareholder may use any one of the proxy forms distributed to the shareholders in the invitation package.

During the Shareholders' Meeting, each shareholder has equal rights to express their opinions and pose questions within the appropriate timeframe. The process of voting and counting votes is carried out swiftly with full disclosure in which using technology will be supported by the Company. The Company deems that one share equals one vote and the majority vote decides the resolution (for general agendas for which the law does not specify otherwise) or otherwise specified by the laws in particular matter. If the vote is equal, the Chairman of the meeting shall cast an additional vote, apart from his/her vote as a shareholder, as the deciding vote.

The ballots shall be used and retained as evidence and for further inspection after the meeting. The results of the voting are recorded in the minutes of the meeting. For each agenda, number of "for", "against" and "abstain" votes are recorded, as well as the questions raised, explanations and opinions of the meeting so that shareholders may later verify the information.

In the case that any shareholder has a special interest in any of the agendas, the shareholder is not allowed to vote on that agenda with the exception of voting for appointment of directors or otherwise stipulated or allowed by relevant laws in other matters. In addition, the Board of Directors has assigned the directors and management to disclose the information relating to the interests of the directors, management and related party and record in the minutes of the meeting of the Board of Directors in order that the Board of Directors is able to consider the Company's transactions which may have conflict of interests and to make a decision for the benefit of the Company as a whole. In this connection, the directors and management having interests in the transaction to be entered into with the Company must not participate in the decision-making process.

1.2. Shareholders' Meetings

The Company's policy is to convene the shareholders' meeting properly as prescribed by law and gives shareholders the opportunity to fully exercise their rights with well information provided. Moreover, the shareholders are entitled to submit the questions prior to the exercise of their rights. To this end, the Company has held the annual general shareholders' meeting within four months from the end of the accounting year of the Company. The meetings are held in compliance with the applicable laws and regulations of the Stock Exchange of Thailand from announcement of the meeting and organization of the meeting to after the meeting. In this regard, the shareholders are able to request for convening the shareholders' meeting in accordance with the rules stipulated by relevant laws.

The details of procedures on the shareholders' meeting are as follow:

Prior to Meetings

The Company will send the letters of invitation at least 7 days in advance (or any period in accordance with relevant laws, rules and regulations such as the approval for the entering into the connected transaction or the acquisition or disposal of assets of listed company). The Company shall inform the Stock Exchange of Thailand of the schedule and the meeting agenda as well as opinion of the Board of Directors in accordance with rules and regulations of the Stock Exchange of Thailand and publish the same on the Company's website not less than 7 days prior to the date of shareholders' meeting. Furthermore, the letters of invitation will be prepared in English and published together with the letters of invitation in Thai.

Prior to the shareholders' meeting, the shareholders will receive the details of the meeting such as time and place for the meeting, meeting agenda, the Company's annual report, proxy form, and list of documents required for attending the meeting. In addition, the Company will distribute the details of the procedures on the meeting and casting vote, rules relating to the shareholders' rights to submit questions in advance of the meeting, and the appointment of the proxy, including suggestion on the appointment of an independent director as proxy. Moreover, the opinion of the Board of Directors on each agenda will be provided. The invitation package will be thoroughly prepared in Thai and English for the shareholders' consideration prior to attending the meeting to assist the shareholders in making informed decisions when exercising their rights on each agenda. For the shareholder's convenience, the Company will prepare the separated ballots for each agenda. In this connection, the Company, without reasonable cause, will not take any action which may restrict the shareholders' opportunity to attend the meeting and study information memorandum of the Company.

During Meetings

The Company will assign the Chairman of the meeting the duty of notifying and explaining the voting procedures in the various agendas before the meeting is officially convened. After each agenda, the results of the vote will be announced and duly recorded.

The Company has the policy to strictly adhere to the meeting agenda and to allow shareholders equal opportunity in casting votes. In the event that there are several concerns in each agenda, such as the agenda to appoint the directors, the Company will arrange for casting vote on each concern.

To honor the rights of all shareholders, the Company has put in place a policy, which requires all directors, as well as sub-committees, the auditor and relevant senior executive to attend the shareholders' meetings.

The Chairman of the meeting will provide sufficient opportunity for the shareholders to raise questions and advice on business operations, and the annual financial reports and will clarify all information during the meeting.

Furthermore, the Board of Directors encourages the procurement of the independent person to count or verify votes in the annual and extraordinary general shareholders' meetings. The Board of Directors also encourages the use of ballots in the important agenda, such as the entering into the connected transaction, the acquisition or disposal of assets, for transparency and further inspection if there is any dispute thereafter.

After Meetings

The Company will prepare the minutes of the shareholders' meeting, which will record the procedures on casting votes, the method to show the resolution, as well as the questions raised and explanations, and the results of the voting in each agenda or "for", "against" and "abstain" votes, including the name of directors who attend and absent from the meeting. The minutes of the shareholders' meeting will be submitted to the Stock Exchange of Thailand within the prescribed 14 days after the meeting, and announced on the company's website within the next working day.

1.3. The Protection of Minor Shareholders' Rights

(1) The Board of Directors has pre-determined criteria on allowing minor shareholders to propose any agenda item and on screening those proposed by them.

(2) The Board of Directors has established procedures for the nomination of candidates by minor shareholders in advance. Supporting information, candidates' qualifications and their consent, should be provided by the minor shareholders nominating the candidates.

(3) If a shareholder in a management position wishes to add any agenda item, he/she should notify others shareholders in advance, especially if it is an issue that will require shareholders to spend a good deal of time to study before deciding.

(4) The process used in election of directors should allow shareholders to vote on individual nominees.

2. Policy on Treatment Towards Stakeholders

The Company recognizes the significance of each group of stakeholders, whether they are internal personnel or external stakeholders such as shareholders, customers, creditors, counter-parties, communities, government agencies and other related organizations. The Company also recognizes that the support of each of the stakeholders will ensure the stability and longevity of the organization in the long term. Therefore, the Company has the policy to protect the rights of the stakeholders through compliance with relevant laws and regulations, as well as respecting the interests of all related parties. Moreover, the Company shall disclose the activities that it has undertaken including performance enhancing mechanisms to implement the following policies. The Company shall make a separate sustainability report on corporate social responsibility (CSR) or make it by adding into the firm's annual report.

Furthermore, the Board of Directors has determined a clear mechanism and procedures to receive and handle the stakeholders' complaint by publish them on the Company's website or annual report.

2.1. Policy on Transactions which may cause Conflict of Interest and Transactions between Companies

The Board of Directors understands that transactions which may lead to conflicts of interest and/or transactions with related counter-parties must be thoroughly contemplated to ensure compliance with the relevant laws and regulations of the Capital Market Supervisory Board and the Office of the Securities and Exchange Commission, as well as the Company's internal guidelines. Moreover, such transactions must be strictly carried out as with any other transactions with external parties which have no relationship with the Company. Also, the transactions must fully provide value to the Company and the shareholders. The terms and conditions of the transactions must follow the generally accepted standard terms and conditions of business transactions.

The Company has the policy to prevent directors and management from using their status for their own personal gain. Directors and management must refrain from engaging in transactions which have conflict of interest with the Company. Furthermore, any directors, management or employees who have a stake in any transactions shall not be allowed to participate in the decision making process. Directors, especially, will not be allowed to consider or vote on any matters in which they have an interest, including transactions between companies and transactions between subsidiaries and stakeholders and related parties.

2.2. Controlling Use of Inside Information

The Board of Directors forbids the directors, management and employees from using an opportunity or insider information received while in their position for their own personal gain or wrongfully for the benefit of others which is considered as taking advantage of other shareholders or to establish competitive or related to Company's business operation. Also it is strictly forbidden for the use of crucial insider information for trading of shares and securities of issued by the Company for the benefit of such person and forbid from disclosing such insider information to other person or juristic person for trading of shares and securities issued by the Company.

Directors and executive officers shall report ownership of all securities issued by the Company, including those that pertain to self, spouses, and underage children once there are changes to the Company's secretary as compliance with security law and for the Company's secretary to report such changes to the Board of Directors for acknowledgement.

2.3. Policy on Shareholders

The Company aims to achieve the utmost benefits in long term for the shareholders through stable growth and sustainable capability in generating profits under good governance and responsibility to the society as a whole. Including maintaining the competitive edge by recognizing the current and future business risks. The Company emphasizes business for consistent profits through continuous business development. Moreover, the Company strives on professional management, efficient internal control, systematic audit and strong risk management to reciprocate and show responsibility to our shareholders.

Other than fundamental rights of the shareholders such as the right to inspect number of shares, right to receive share certificate, right to attend shareholders' meetings and to vote, right to freely express opinions and make suggestions on the Company operations at the shareholders' meetings, right to fairly receive returns, and other lawful rights, the Company also has the policy to disclose information justly, with transparency and in a timely fashion under business limitations so that every shareholder equally receives information.

2.4. Policy on Employees

Employees are a valuable asset to the Company. Capable and experienced employees are consistently well-taken care of in compliance with the Company's strategy and operational plans. The Company also ensures equal opportunity and suitable compensation. Furthermore, the Company has arranged for the necessary training by both internal and external persons in order to continuously enhance the skills of employees. Moreover, the Company supports and promotes the healthy working environment and organizational culture, and treat employees equally and justly.

Furthermore, employees are provided with benefits and safety which include medical benefits, provident fund, and academic scholarships for employees so that they may use the knowledge to assist in the development of the organization. The aim is for the Company to be a place of learning for personnel, as well as to motivate knowledgeable and capable persons to remain with the organization in the long-term.

2.5. Policy on Management

The Company realizes that management is an important success factor. To this end, the Company has set up a suitable compensation program which is comparable to management in similar business. Moreover, management is able to carry out their duties and responsibilities independently without intervention, which is for the mutual interest of the organization and all related persons.

2.6. Policy on Counter-Parties

The Company does business justly and ethically with partners, competitors, creditors, counter-parties and others according to the terms and conditions in the trade agreement. The Company has the policy to avoid any actions which may be dishonest or infringe on the rights according to the law or as mutually agreed upon of the counter-party, as well as to ensure that the transactions are ethical business-wise.

2.7. Policy on Customers

The Company recognizes that the customers are an important success factor of the business. The Company strives for customer satisfaction by providing quality professional service with the determination to continuously improve the quality of the services in order to meet the needs and expectations of the customers. The Company has systematic scope of services in relation to safety and compensation from the Company's services. This Company maintains the privacy of customers and will not disclose any customer's information unless required by law or when the customer has given consent.

2.8. Policy on Social Responsibility and the Environment

The Company aims to consistently treat society and the environment with the highest standards by upholding safety and pollution control standards and throughout the business to ensure that the Value Chain of the Company is environment-friendly and support regularly sustainable development. The Company has been involved in public interest and has participated in many charitable activities and has supported relevant society and all employees including supporting events that promote and embed for employees to comply with relevant laws and regulations.

3. Disclosure and Transparency

The Company has the policy to ensure that disclosure of financial information and general information to shareholders, investors and securities analysts, as well as the general public, is done so sufficiently, completely, justly, timely, with transparency, and as prescribed by relevant laws and regulations.

The Company has the policy to disclose the financial statements, important information and any other information which may affect the interests of the shareholders or the decision to invest in the Company, which in turn, may affect the price of the shares or securities of the Company. This information will be disclosed sufficiently, completely and at the appropriate time through fair and suitable channels and was provided fair and reliable. The main purpose is to ensure that the decision to invest in securities of the Company is made fairly and with equal information.

The Company shall assign the appointed senior executive officers to disclose relevant information of the Company for the purpose of communication with third parties and shall establish a department or responsible person to communicate equally and fairy with third parties, such as investors, institutional investors, other investors and relevant analyst based on the rules that the information provided shall be the information as disclosed to public.

3.1 Disclosure of Information

(1) The Board of Directors has a mechanism that ensures the accuracy, clarity, and sufficiency of information disclosed to investors for their decision-making.

(2) The Board of Directors shall provide a summary of the Company's policies on Good Corporate Governance, Code of Conduct, risk management policy, and corporate social responsibility policy as approved by the Board of Directors, together with steps taken to implement such policies and identification of and reasons for each case of non-compliance through various channels, e.g., the Company's annual reports and website.

(3) The Board of Directors shall prepare the report of responsibilities concerning the Company's financial reports along with the auditor's report in the Company's annual report and annual statements (Form 56-1).

(4) The Board of Directors shall encourage the Company to make a Management Discussion and Analysis (MD&A) for each quarterly financial statement, to help investors better understand changes in the Company's financial status and performance each quarter, not just be presented with the figures by themselves.

(5) The Board of Directors shall ensure that audit and non-audit fees are disclosed.

(6) The Board of Directors shall ensure that its roles and responsibilities, together with those of its sub-committees, the number of meetings held, attendance record of each director, and the results of tasks assigned, including ongoing professional education or training of its directors, are disclosed in the annual report as required by laws.

(7) The Board of Directors shall disclose remuneration policies for directors and senior executives that correspond to the contributions and responsibilities of each person. Also, the Board of Directors shall disclose the forms and the amounts of payment to each person. If any director of the Company is also a director of its subsidiaries, the amount paid by each subsidiary to each director should be disclosed as well as required by laws.

3.2 Disclosure of Information on the Company's Website

In addition to the disclosure of information as specified in the regulations and through the Stock Exchange of Thailand, annual statements (Form 56-1), and annual reports, the Board of Directors shall disclose information, both in Thai and English, through the Company's website regularly with an up-to-date information.

Responsibilities of the Board of Directors and the Sub-Committees

3.1. Structure of the Board of Directors

The Board of Directors is comprised of 9 members, pursuant to the Articles of Association of the Company which provides that the Board of Directors shall comprise of at least 6 members, for which 3 of those being the executive directors and 6 being the non-executive directors with 3 of which are independent directors. The independent directors are directors who are not involved in management of the Company, subsidiaries, associated or related companies pursuant to relevant regulations of the Capital Market Supervisory Board with independent from management, major shareholders or person with controlling power. Furthermore, the independent directors must not have a business or be involved with the interests of the Company, subsidiaries, associated or related companies which may negatively affect the interests of the Company and/or the shareholders. The independent directors shall have the qualifications as prescribed in relevant regulations of the Capital Market Supervisory Board. In addition, the Company has stipulated that the structure of the Board of Directors shall be comprised of directors who have diversity of skills, experience and expertise for the interest of the Company.

Furthermore, the Company has stipulated that the Chairman and Chief Executive Officer must not be the same person. The Chairman shall fairly perform its duty in monitoring the implementation of policies and strategic guidelines as prepared and ensuring that the Board of Directors meetings are held and that all directors participated and independently raised the questions at each meeting. The Board of Directors meetings shall be held at least 6 times per year in order to monitor and support the Company's strategic policies. If the Board of Directors meetings are not held monthly, the Company shall provide a monthly report on the operation of the Company to the Board of Directors for the months the meetings are not being held so that the Board of Directors can monitor the management's performance continuously and promptly.

In principal, the directors should not serve for a long, continuous period of time. However, there is a limitation in finding suitable replacements with specialized expertise. In addition, we must take into consideration management risk which may arise due to the operation of the previous directors, which is an important factor in selecting directors, especially in the business of the Company, which requires expertise and specialization in order to clearly understand the Company's business. Therefore, the Company has not set any official limitations on the term of the directors.

3.2. Directors' Duties

A) Policy and Governance

1. The Board of Directors shall perform duties using their knowledge and expertise for the benefit of the Company in accordance with the Company's Articles of Association and resolutions of the shareholders' meeting. Directors are authorized to perform actions indicated in the Comapany's Memorandum of Associateion, the Public Company Act and relevant laws.
2. Comply with the provisions and the good practices of listed company directors of the Stock Exchange of Thailand.
3. Determine policies and apprive matters related to the gerneral operation of the Company, such as vision, business direction, strategies, business plan, annual budgets, investment plan, and make financial decisions.
4. onitor the operational results of the Company in order to ensure consistency with established goals and plans.
5. Procure policies on corperate governance in writing and approve such policies. The Board of Directors shall review such policies and their compliance consistently, at lease once a year.
6. Encourage the determination of code of conduct in writing in order to ensure that all directors, executive officers and employees understain ethic standard used in the Company's business operation and strictly monitor the compliance of such code of conduct.

B) Financial

1. Set up a reliable financial report and account audit system.
2. Procure the preparation of the Company's statement of financial position and profit and loss statement for the approval of the Annual Genaeral Meeting of the shareholders. The Board of Directors shall engage the auditors to audit such statement of financial position and profit and loss statement prior to the proposal to the shareholders

C) Internal Control, Internal Audit and Risk Management

1. Put in place an appropriate internal control and internal audit system by procuring the independent personnel or working unit who is responsible for the inspection of such system and review the internal control system at least once a year.
2. Set up policies on risk managment to manage and control all risks convering the organization.
3. Review or evaluate the effecttiveness of the internal control system and the risk managment at least once a year.

D) Human Resources

With respect to the Directors

1. Filter the list of cadidates to be appointed as the Company's directors to propose for the shareholders' approval.
2. Consider forms and rules concerning the payment of remuneration of directors and sub-committees to propose for the shareholders' approval.

With respect to Chief Executive Officer and President

1. Approve the appropriate qualifications, methods and rules of the selection, including forms and rules of the payment of remuneration regarding Chief Executive Officer and President.
2. Approve rules and procedures for the evaluation of performances and results of the performances of Chief Executive Officer and President.
3. Approve the determination of the annual remuneration for Chief Executive Officer and President.

With respect to Organizational Structure, Salary Adjustment and Executive Succession Plan

1. Approve the upper-level organizational structure, including scope of duties, authorities and repsonsibilities of the management of such level.
2. Approve the pay scale and the criteria for the annual salary adjustment.
3. Approve the executive succession plan for the positions of Chief Executive Officer and President.

E) Management of Conflict of Interest

1. Supervise and monitor to ensure the complete compliance with laws and the Stock Exchange of Thailand's regulations in relation to procedures of actions and disclosures for the conflict of interest transactions.
2. Report to the Company on any conflicts of interests, which pertain to the management of the Company or subsidiaries, of oneself or related persons. For transparency, such transactions are to be reported to the Board of Directors whenever there is a change.
3. On the date on which the independent directors accept the appointment and every year afterwards, the independent directors shall submit a confirmation letter to the Company to ascertin thier independecy as defined by the Company.

F) Communication with the Shareholders

Provide appropriae and regular communication chanels to the shareholders and porvide transparent of disclosure of information in accordance with standards.

G) Others

1. Appoint the Company's corporate secretary according securities and exchange laws.
2. Establish charters of the Board of Directors and sub-committees and approve sugesstions proposed by the sub-committees in the adjustment of the content in such charters to be updated and compatible with changing rules, regulations and circumstances.
3. Perform other duties as precribed in the notifications, regulations, acts or laws governing the Company.

3.3. Sub-Committees

3.3.1. Audit Committee

The Company appoints the Audit Committee to assist the Board of Directors in auditing and ensuring that the Company has sufficient corporate governance. The Audit Committee is granted full authority by the Board of Directors to carry out its duties, which includes systematic monitoring of business practices, ensuring efficient and strict internal control measures, ensuring compliance with laws on disclosure and determining risk management dealing with the business and finances of the Company.

The Audit Committee shall be appointed by the Board of Directors of the Company or shareholders' meeting and shall be comprised of at least 3 directors who shall be independent directors provided that at least 1 director shall have adequate knowledge and experience in accounting or finance in order to audit the reliability of the financial statements.

The independent directors of the Company shall have the qualifications in accordance with the regulations as prescribed by the Securities and Exchange Commission and shall have the power, authority and responsibility as prescribed in the Audit Committee's charter.

3.3.2. Other Sub-Committees

The Company may consider appointing other sub-committees e.g. the Nomination and Remuneration Committee in the future as deemed necessary and appropriate in order to comply with the good corporate governance of the listed company.

3.4. Board of Directors' Meetings

The Company shall set the dates for the Board of Directors' meetings in advance for the entire year by holding the meetings every month in order that all directors are made aware of these dates in advance so that they can arrange their schedules to accommodate all meetings. The Chairman of the Board of Directors and the President shall determine the Board of Directors' meeting agenda together and ensure that all important issues are included, provided that each director shall be free to propose an issue deemed beneficial to the Company for a meeting agenda, and the agenda to follow up on any assignments are also included. The Company Secretary shall send the invitation to the Board of Directors' meeting together with the meeting agenda at least 7 days in advance of each meeting in order to allow directors sufficient time to review the information prior to attending the meeting. In this regard, the Company has the policy to encourage all directors to attend at least 75% of all the Board of Directors' meetings held during the year and to appropriately allocate the meeting time for complete management presentation and comprehensive discussion on important matters by the directors. The Company encourages the President to invite the senior executives to attend the Board of Directors' meetings to present additional details on the issues that they are directly responsible for.

In addition, the Board of Directors shall have access to additional information via the President, Company Secretary or other executives as designated, under the specified policy. If necessary, the Board of Directors may provide the opinions of an independent advisor or a professional consultant, at the Company's expense.

The Board of Directors has the policy that non-executive directors should be able to meet, as necessary, among themselves in order to discuss the matters of interest in relation to the management without management team involved in the meeting and report the result of the meeting to the President of the Company.

3.5. Determining Remuneration for Directors and Executives

The Company has specified that the Board of Directors shall determine the remuneration of directors fairly to correspond to the directors' duties and responsibilities by comparing those companies of similar size in the same industry. As for remuneration of senior executives, the Company will award appropriate remuneration by performance evaluation as stated in the guidelines specified by the Board of Directors and the Human Resources Department for each level of management. The performance is linked to the operational results of the Company and individual accomplishments.

3.6. Directors' Knowledge Enhancement

The Company has the policy to encourage directors of the Company and subsidiaries to attend the Director Certificate Program (DCP) and the Director Accreditation Program (DAP) organized by the Thai Institute of Directors (IOD) in order to support the directors to understand the most efficient corporate governance and to enable them to use the knowledge for continuous good corporate governance. The Company also encourages directors to attend training courses on amendments and updates of the regulations, policies and guidelines of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission so that they can comply with such regulations, policies and guidelines accordingly.

Every time that the new director is appointed, he will be provided with all documents and information that is useful for him to perform his duties as new director, including an introduction to the nature of the business and the operations of the Company.

4. Code of Conduct and Ethics

The Company has the policy to conduct the business with highest ethical standard i.e. keeping confidential information of the Company, legally conducting business in good faith, respecting each other's rights, taking care of the Company's property and external environment, all of which the Board of Directors, executives and all employees shall prioritize and be responsible to strictly comply with this policy. The punishment shall be imposed in case of the violation or breach of the code of conduct and or ethics as specified.

Fly Boutique.
Feel Unique.

Corporate Social Responsibilities

Corporate Social Responsibilities

Overall Policies

The Company and its subsidiaries focus on operating its business taking into account the ethics and Good Corporate Governance, including transparency and a commitment to promoting the interests of the economics, community and the environment through its Corporate Social Responsibility (CSR) policies. As part of its CSR policies, the Company and its subsidiaries organize charitable events encouraging its employees to participate in various activities, including environmental conservation, supporting sporting events as well as supporting religious and cultural traditions to sustainably strengthen the society and community.

1. Operation and Preparation of Report

Realizing the importance of the social responsibility, the company's, therefore; issued policies on the Corporate Social Responsibility as in the following points:

(1) To emphasize the fair and legitimate business operation, taking into account the compliance of relevant laws and regulations, transparency and disclosure of material information which can be verified. In addition, the Company adheres the fair and just allocation of benefits to all relevant parties e.g. its shareholders, customers, business partners, employees, community and society. The Company is also observed the transparency of disclosure focusing on the importance of the Good Corporate Governance.

(2) To carry on its business focusing on the Good Corporate Governance, ethics and compliance of relevant laws and regulations. The Company further emphasizes the anti-corruption, including wrongful misconduct or refraining from performing duties, breaches of laws, ethics, rules and regulations or policies of the Company for its own interests e.g. ask for, accept, offer or agree to give any property including other benefits to government officials or other person dealing the business with the Company.

(3) To emphasize the management of human resources in all steps for optimization, including the continuity of recruitment and development of personnel and employees training, fair and proper determination of remuneration and benefits, commitment to promoting the qualified employees as well as maintaining safe working environment for employees.

(4) To support the policies on environmental and energy conservation, the Company has begun its airport operation on an environmentally-friendly basis such as to conduct the survey and to prepare the Environmental Impact Assessment (EIA) Report prior to the construction of the airports, to organize and ensure that the planning and procedures for the operation of the business shall not affect the surrounding environment and community. In addition, the Company also participates in the activities focusing on the protection of the earth, including to reduce global warming and energy consumption by encouraging all staff to take part in an energy and paper saving program by for examples, reducing the use of elevators.

(5) To stipulate a policy encouraging social activities such as athletes, cultural, Buddhism, youth improvement, which the Company has created every year at our head office and other airports such as blood donation, "making merit to priest" project, art camp for kids at Koh Samui for "Samui Island Marathon".

2. Activities For the Benefit of Society and Environment (after process)

The company and its subsidiaries continuously organize activities for the benefit of society and environment as we emphasize on creating activity-based learning for local youths as part of a sustainable development. Additionally, we have created an environment conservation activity called "Fly for Forest" in several provinces and "Planting Coconut Trees for Koh Samui" which is part of the "Love Earth, Save Earth: Love Samui, Save the Coconut Tree" in Samui. Because Samui island is an important tourist destination of Thailand and is among the top list of destinations that tourists from around the world would like to visit. The symbolic coconut plantations, white sandy beaches, clear sea water, and pure nature are all deemed important heritage that must be conserved for our later generations. For this reason, the "Love Earth, Save Earth" project was taking shape and it involves several green activities such as planting corals in collaboration with resorts on the island, planting mangroves to keep balance of the sea nature and coconut tree conservation project as we see coconut as a symbol as well as it's an economics crops of Samui. This year we have also joined hands with Samui Municipality and Tourism Association of Koh Samui organized a coconut tree planting activity and giving away 2,000 coconut buds for the residents of Samui to plant it at home. This is the campaign to bring about the importance and collaboration of everyone to sustain the coconut trees towards the future.

This includes our in-flight service that focusses on using only the products that are environmentally-friendly. Considering our daily consumption from what we cater to our passengers in flights, we must therefore, realize what illicit effect it could bring to our environment afterwards. Therefore, our product selection process has taken shape under proper criteria as follows.

A) Use only products, including their manufacturing process, that are friendly to the environment.
B) Serve fresh dark roast drip coffee from Doi Tung, as it's been proven friendly to the environment throughout the manufacturing process.
C) Use only recycled containers i.e. food containers, paper cups or even the paper pens. With a great amount of consumption each day, the plastic products are replaced by these items and definitely makes a big difference.

Love Earth save Earth

Bangkok Airways Organizes Children's Day activity for schools in the vicinity of the Sukhothai Airport, Trat Airport, and Samui Airport.

"Fly for Forest" activity in Udonthani, Lampang, and Trat

CSR

3. Anti-Corruption Policy

The Company has always conducted its business by adhering to Good Corporate Governance, business ethics, and laws. Also, the Company has communicated, publicized for acknowledgment and understanding of not to demand, or agree to receive money, items, or any other benefits, including not to act in the way which may give rise to such actions, either for the benefits of the Company, oneself or others; and these have been prescribed in the Company's Code of Conduct as fundamental guidelines for our employees.

Additionally, the Company emphasizes the significance of anti-corruption; and has approved the Anti-Corruption Policy so that the Company's guidelines of avoiding and opposing corruption issues are more explicit. In this regard, the Company's directors, executives, employees, including the Company' subsidiaries and the businesses over which the Company has controlling power will not or support any corruption behaviors in whatever forms and will strictly comply with fundamental guidelines in Anti-Corruption Policy, including cooperate with the internal audit investigation with an aim to avoid and correct corruption behaviors which may arise internally.

The Company has established the following guidelines for preventing corruption:

1. Define the principles for giving or receiving gifts or entertainment as part of the Company's Code of Conduct. Employees must not offer, demand, receive, or agree to receive money, items, meals, entertainment, or any other benefits which may give rise to the suspicion of bribery and corruption behavior. Gifts received should be modest, and should not be cash or cash equivalents. Employees must always be aware that all actions and non-actions must take into consideration transparency, fairness, and accountability.

2. Set out regulations on procurement, and objectives for entering into transactions, entering into agreements, and disbursement; whereby each step requires definitive supporting documentation, as well as specify approval limits and authorization approvals for each level

3. Arrange to put in place an internal audit system to cover finance, accounting, recording information, and other aspects of accounting and finance to ensure that financial transactions are entered into for approved purposes, and that business is conducted with transparency.

4. Communicate the values of Good Corporate Governance, as well as the Anti-Corruption Policy, to work units within the Company, its subsidiaries, and the businesses over which the Company has controlling power via various channels such as employee training, the Company's internal communication channels, such as the Company's website or intranet, to inform the relevant parties to ensure further compliance.

5. The Audit Committee has the duty to audit and review transactions of the Company to ensure that the Company has sufficient good corporate governance in line with the relevant policies and requirements. If the Audit Committee has found or has any question about any transaction or action which may affect the Company's transparency in its business operation, the Audit Committee may independently report such a transaction or action to the Board of Directors and/or the President (as the case may be as it deems appropriate) in order for the issue to be addressed timely and appropriately.

6. Establish whistleblower channels for reporting to or filing complaints with the Audit Committee in the event that encounter situations which may constitute dishonest behavior or misconduct by individuals, as well as the Company. Whistleblowers can raise their concerns or file complaints, and submit details and evidence by mail to the following persons at Bangkok Airways Public Company Limited, No. 99 Mu 14, Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok 10900, based on the type of issue as follows:

Issue	Recipient
Violations of the law, dishonest behavior, violations of the work rules and Code of Conduct	The President or the highest-ranking officer of the Human Resources Department
Matters which affect the reputation and image of the Company	The President
Non-compliance with the Code of Conduct by Directors	The Chairman, the Chairman of the Audit Committee, or the Company Secretary
Irregularities regarding financial transactions	The Chairman of the Audit Committee

7. In order to prevent any potential adverse impact on whistleblowers, the Company has put in place mechanisms to protect them by establishing a confidentiality policy regarding their identity. Therefore, if the information regarding whistleblowers is disclosed, persons who are responsible for such information shall be subject to disciplinary action in accordance with the Company's Work Rules.

Internal Control and Risk Assessment

1. Internal Control and Internal Audit

The Board of Directors has emphasized the importance of the internal control as it forms a part of Good Corporate Governance. In the past, the Company focused on developing the internal control structure according to COSO (The Committee of Sponsoring Organizations of the Treadway Commission), covering areas of Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities.

The Board of Directors' meeting no. 2/2016 held on 25 February 2016, consisted of three members of Audit Committee attending the meeting, has considered evaluation form on sufficiency of internal control system by inquiring management and relevant departments in order to assess the sufficiency on internal control system in various aspects, the result which can be summarized as follows.

Control Environment

The company finds that it's significant to obtain a sufficient and appropriate internal control which is fundamental for the company's efficient administration under a good corporate governance in a sustainable manner. In the past year, the company reformed its organization structure to be in line with the vision, mission, and other relating factors. Also, the new structure was clearly segmented into proper divisions and departments that allows check and balance process to take place in the light of a transparent business administration.

Risk Assessment

The company has set a proper policy on a risk management with a commercial objective. The policy has been communicated to all the employees in accordance to the company's strategic goal, and at which level the risk is deemed acceptable. Later in the year, there are revising, analyzing, and monitoring procedures and guidelines all carried out under the integrated risk assessment. The company continued to create good attitude and understanding in the risk assessment among the employees at all levels. This includes both the employees of the main organization and the sub companies alike. Details of the risk assessment can be found under the topic of "Risk Management and Risk Factors".

Control Activities

The company has instilled all the staff to control activities at all levels in order to minimize the risk which can impede the company's goal achievement. The company has chosen and developed control activities by considering worthiness, possibilities of such activities, and integration of risk assessment which may affect achievement of objectives and goal of the company. Design of internal control activities has taken into account allocation of work reasonably between personnel and procedures. In the recent past, when there was a limitation in human resources and that caused incomplete job allocation; the management would then consider other control activities to replace such limitations. Also, there would be a review and follow-up process. The management is responsible for supervising and reviewing their own internal workflow to ensure it was carried out in an efficient manner and conforming to the work regulations. The reviewing process and improving the internal control system must be done properly as well as instilling the sense of discipline to all the staff to understand throughout the internal control system.

Information and Communication

The company has a proper management in system development and the information technology plan for the future in place. This includes the resource management in the information technology and the safety control of the information technology system. The company believes that good system of information and communication will help support other internal control units, enabling internal control system and necessary information can be gathered, utilized and disseminated in forms that is accessible to everyone in the company in a timely manner and help employees in performing its duties relating to internal control

Monitoring Activities

The company has a proper monitoring procedure on the internal control system for evaluating the past operations. This also includes a follow-up procedure to ensure that the work gets achieved as planned. This is always a responsibility of the audit line of work who's directly in charge of the sufficiency evaluation, the efficiency of the internal control system and inspecting the operations by the system. The review of the internal control system is conducted continuously, with revision upon the changing of situations. When there is no change of any issues upon the change of situations, the unchanged will be reported to the Board of Directors quarterly for acknowledgement and consideration for solving in an appropriate deadline. This monitoring process is considered as strict mechanism, assessable, in compliance with policies and ensure that the shareholders' interest is well protects, and generate long-term sustainability to shareholders and related persons of the company.

2. Head of Internal Audit Department and Head of Compliance

Currently, the Internal Audit Department is headed by Mr. Viroj Satitharopakorn who replaced Mr. Kasem Akanesuwan who retired from the duty contract on December 15th, 2015. The Internal Audit Department is comprised of eight staff members (including the head of the department) and can be divided into 2 units:

(i) Internal audit, which is responsible for auditing and assessing the adequacy of the internal control system, and

(ii) Risk and compliance, which is in charge of identifying and supervising the risk management.

At Audit Committee Meeting No. 1/2016 held on January 28, 2016, the Audit Committee was of the opinion that Mr. Viroj Satitharopakorn is qualified to perform the duties as the Head of Internal Audit in an appropriate, adequate and efficient manner, given his educational background, training and experience in internal audit in the business and/or industry of the same nature as that of the company. He has also attended training courses, namely the Director Accreditation Program and a new-way workshop of internal control in accordance to COSO 2013 Internal Control – Integrated Framework. He has also an understanding of and is independent in relation to the activities and operations of the company.

Audit Committee's report

To: The Shareholder

The Audit Committee of Bangkok Airways Public Company Limited consists of three independent committee members who have carried out their duties within the scope of work as indicated in the Audit Committee Charter. The audit committee has been given the authority to carry out their tasks with independence and autonomy. The committee consists of Mr. Sripop Sarasas, chairman of the committee; Gen. Vichit Yathip and Mr. Saharat Benyakul who replaced the late, Mr. James Patrick Rooney.

Audit committee member, Mr. Saharat Benyakul, is knowledgeable and experienced in the field of accounting and investment risk management as specified and required by the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2015, the Audit Committee has held four meetings as required by the charter of the Audit Committee in accordance to a good practice governed by the Office of the Securities and Exchange Commission of Thailand. The committee had held consultations with the management committee, the internal and the risk audit committee as well as the auditors. The executive summary of the meetings are as followed;

1. A review of financial report The Audit Committee has reviewed the quarterly fiscal budget and the annual financial budget for 2015 of Bangkok Airways Public Company Limited as well as disclosing important information of the company by holding a meeting between the company's administrative office with an external auditor prior to disclosing such information to the Stock Exchange of Thailand and the general public. The Audit Committee has given its official acknowledgement with the auditor that the aforementioned fiscal budget is correct and meet the standard of general accounting policy.

2. A review and comments on related transactions or the transactions that are prone to conflict of interest including the sufficiency and transparency in disclosing information of the said transactions as required by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission of Thailand. Together with the auditor, the Audit Committee had concluded that transactions with related companies had been thoroughly disclosed and included in remark section of the fiscal budget. The audit committee and the auditor unanimously agreed that all the transactions have been properly documented and are considered to be reasonable and beneficial to the company's operation.

3. A review of the sufficiency of the internal control system and corporate risk management. The Audit Committee had reviewed the company's risk management policy, operational plan, and risk management framework against the Corporate Risk Profile. The audit committee had acknowledged specific weaknesses of the company's internal control system and of affiliated companies that had systematically been identified and highlighted by regular internal audit exercises. These internal audit units have been advised to continue to follow up on assigned tasks to ensure that management takes corrective actions as advised by the internal auditor within the designated timeframe. The Audit Committee concluded that in 2015, the company had a sufficient internal control system in place as specified by the Office of the Securities and Exchange Commission of Thailand and had employed adequate risk management measures to safeguard the company's business operation.

4. A review of a good governance The Audit Committee highlighted the importance of practice of good governance by both the management and operation officers. Their conducts must be ethical, transparent, accountable and conform to the laws and related regulations. Moreover, the committee has allocated a channel for all stakeholders to report or lodge a complaint to bring to attention any action suspected of fraud, violation of regulations or governing policies including a false financial report or defective internal control system to the Audit Committee.

5. An appointment process of the auditor. The Audit Committee has appointed "EY Co., Ltd." as an auditor of Bangkok Airways Public Company Limited in 2016 and submitted the appointment to the company's committee for approval before the subsequent processing of the official appointment and relevant budget at the shareholder's Ordinary Meeting in 2016.

The Audit Committee concluded that in the past year the company and affiliated companies have submitted all the required financial reports and information disclosures as dictated by standard accounting principles. The management reiterated on the importance of good governance, the maintenance of an effective internal control system and the continuous implementation of risk management protocol in order to ensure that the company will continue to thrive, able to manage appropriate risks, has accurate and transparent accounting and reporting system, as well as conforming to the laws governed by the Stock Exchange of Thailand, regulations of the Stock Exchange and all other regulations relating to the company's operation.

Mr. Sripop Sarasas
Chairman of the Audit Committee

Fly Boutique.
Feel Unique.

Related Parties Transaction

Related parties Transaction

Name of persons who may have conflicts of interest

1. **Transactions with Bangkok Airways PCI. (Company)**

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
1 **Bangkok Helicopter services Co., Ltd.** **Relationship** • Associate of BDMS • Common shareholders and directors	Trade account receivable Service fee revenue	288,383 3,085,517	Company provides management and helicopter maintenance services. Management fees were chaged as per stipulated in the contract. Maintenance services were charged when services provided on basis of cost plus margin at least 15%. **Opinion from Audit Committee:** Management and maintance services provided were justified. This could help company to earn more revenue from its expertise. Contract should be reviewed every 3 years. Maintenance services fees should have at least 15% margin over cost and expenses.
2 **Paradise Shopping Co., Ltd.** **Relationship** • Common shareholders and directors	Trade account receivable Freight revenue	2,654 13,031	Company provides cargo services to Paradise Shopping Co., Ltd. with 20% discount from normal fees for shipment with weight more than 45 kgs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	Trade account receivable Rental revenue (Samui Airport)	230,701 2,693,710	Company provides rental space to Paradise Shopping Co., Ltd. at normal fees as stipulated in the announced price list. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions. Contracts should be reviewed on regular basis. Fees must be collected as stated in the contracts.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
	Trade account payable Expenses	99,665 326,175	Company buys goods from Paradise Shopping Co., Ltd. at market price. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.
3 **Prasatthong Osoth Co., Ltd.** **Relationship** • Common shareholders and directors	Trade account payable Expenses	21,000 23,754	Company buys goods from Prasartthong Osoth Co., Ltd. at market price. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.
4 **Samui Accom Co., Ltd.** **Relationship** • Associate of The Sahakol Estate Co., Ltd. • Common shareholders and directors	Trade account payable Service expense	3,350 336,930	Company uses passenger services and baggage services from Samui Accom Co., Ltd. with normal course of business at market price **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.
	Account receivable Rental revenue Other revenue Deposit	609,802 698,526 1,545,560 252,000	Samui Accom Co., Ltd. rents space and parking lots from company at normal fees as stipulated in the announced Price list. **Opinion from Audit Committee:** Transactions were justified where rental fees and services fees were charged at market terms and conditions. Fees must be collected as stated in the contracts.
5 **Dhammachart Na Thai Co., Ltd.** **Relationship** • Common shareholders and directors	Trade account payable Expenses	31,423 177,306	Company buys goods from Dhamma chart Na Thai Co., Ltd. with normal course of business at market price **Opinion from Audit Committee:** The aforementioned transactions were conducted with normal course of business at market terms and conditions.

	Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
		Trade account receivable Freight revenue	7,070 16,730	Company provides cargo services to Dhammachart Na Thai Co., Ltd. **Opinion from Audit Committee:** The aforementioned transactions were conducted with normal course of business at market terms and conditions.
6	**Samui Park Avenue Co., Ltd.** **Relationship** • Subsidiary of The Sahakol Estate Co., Ltd. • Common shareholders and directors	Deposit	1,800,000	Samui Park Avenue Co., Ltd. leases 6,400 Sq.m. commercial spaces at Samui Airport from Company . Samui Park Avenue Co., Ltd., sub-lease commercial spaces to retailers. Company did not extend lease contracts which were expired on July 1, 2014. **Opinion from Audit Committee:** Company must be asset manager of those commercial spaces. Company will not have further business transaction with Samui Park Avenue Co., Ltd.
7	**Bangkok Travel Club Co., Ltd.** **Relationship** • Associate of The Sahakol Estate Co., Ltd. • Common shareholders and directors	Expenses Trade account receivable Deposit Other revenue	566,007 1,049,390 346,400 1,292,348	Bangkok Travel Club Co., Ltd. provides services on visa application and hotel reservations for company's executives and staffs with normal course of business at market terms and conditions. **Opinion from Audit Committee:** The aforementioned transactions were conducted with normal course of business at market terms and conditions.
8	**Sukhothai Property Co., Ltd.** **Relationship** • Subsidiary of The Sahakol Estate Co., Ltd. • Common shareholders and directors	Trade account payable Expenses	76,100 615,068	Company uses accommodation services with special discount. **Opinion from Audit Committee:** Transactions were justified where room rate and services fees were charged at market terms and conditions. Contracts should be reviewed on regular basis.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
9 Bangkok Air Tour (1988) Co., Ltd. **Relationship** • Associate of The Sahakol Estate Co., Ltd. • Common shareholders and directors	Trade account receivable Air ticket revenue	3,284,745 39,107,372	Bangkok Air Tour (1988) Co., Ltd. is an air ticket agent. Transactions were conducted on normal course of business.
	Trade account payable Air ticket expenses	504,092 2,532,915	Bangkok Air Tour (1988) Co., Ltd. provides services on Visa application and air ticketing for company's executives and staffs. Opinion from Audit Committee: The aforementioned transactions were conducted with normal course of business at market terms and conditions.
10 Bangkok Dusit Medical Services Pcl. - BDMS **Relationship** • Common shareholders And directors	Air ticket revenue	231,180	Company sells air tickets to BDMS at discount on volume with normal terms and conditions. Opinion from Audit Committee: The transactions were conducted with normal course of business at market terms and conditions.
	Charter flight revenue	31,200,000	Company provided chartered flight services to BDMS on basis of cost plus margin at least 15%. Opinion from Audit Committee: Price quotation for the services provided must calculated from actual costs and expenses plus margin of at least 15%
	Investment Dividend income	22,386,894,918 231,936,299	Company has long term investment in BDMS shares, recored as available for sale securities. Opinion from Audit Committee: Transactions were justified. Company and its subsidiaries must comply with company's investment policy

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
	Other revenue	1,876,575	Company received sponsorship for Queen 's cup Bangkok Airways, and Samui Blue Paradise Fest from BDMS with normal terms and conditions. **Opinion from Audit Committee:** The transactions were conducted with normal course of business at market terms and conditions.
	Trade account payable Expenses Accrued expenses	415,148 2,610,731 142,500	BDMS provides medical check up to company's employees at market price with normal terms and conditions **Opinion from Audit Committee:** The transactions were conducted with normal course of business at market terms and conditions.
11 **THN Network Co., Ltd.** **Relationship** • Common shareholders and directors	Trade account payable Other revenue	346,680 366,000	TNH Network Co., Ltd. produced advertising media to company with barter trade agreement. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions
12 **Bangpakong Riverside Country Club Co., Ltd.** **Relationship** • Common shareholders	Expenses Trade account payable	12,600 3,277	Company pays to Bangpakong Riverside Country Club Co., Ltd. to entertain its customers. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.
13 **Samui Palm Beach Resort Co., Ltd.** **Relationship** • Subsidiary of The Sahakol Estate Co., Ltd. • Common shareholders and directors	Trade account payable Expenses	71,500 807,050	Company uses accommodation services. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
14 Aeronautical Radio of Thailand Co., Ltd. - AEROTHAI	Investment	7,043,900	Company has investment in shares of AEROTHAI since year 2003.
Relationship • State enterprise under the Ministry of Transport and Communications. • To provide air traffic control and aeronautical communication services for airline operations. • The Ministry of Finance is a major shareholder • Common directors	Trade account payable Expenses Deposit	44,757,420 482,924,774 72,000	AEROTHAI provides aeronautical services and related services to company. Rental deposit was paid for the usage of radar display system.
	Trade account receivable Utilities revenue	454,020	Utilities used by AEROTHAI at Samui Airport.
	Trade account receivable Air ticket revenue	2,316,240 20,070	Company sells tickets to AEROTHAI with normal course of business at market terms and conditions. **Opinion from Audit Committee:** The aforementioned transactions were justified Transaction were conducted at market terms and conditions.
15 Natural Rice Co., Ltd. **Relationship** • Common shareholders	Expenses Trade account payable	1,090,956 462,324	Company buys goods from Natural Rice Co., Ltd. with normal course of business at market price
	Freight revenue Trade account receivable	63,044 7,355	Company provides cargo services to Natural Rice Co., Ltd. **Opinion from Audit Committee:** The aforementioned transactions were conducted with normal course of business at market terms and conditions.
16 National Healthcare Systems Co., Ltd. **Relationship** • Subsidiary of BDMS • Associate of SVH • Common directors	Trade account receivable Freight revenue	277,608 331,051	Company provides cargo services to National Healthcare System Co., Ltd. with normal course of business at market price Company provides 20% discount from normal fees for shipment with weight more than 45 kgs. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
17 Samitivej Pcl. – SVH **Relationship** • Subsidiary of BDMS • Common directors	Trade account receivable Air ticket revenue Trade account payable Expenses	709,800 2,352,000 11,150 66,861	SVH give away discounted vouchers to its customers to buy air tickets. SVH will then reimburse money of the used voucher to company. Opinion from Audit Committee: Transactions were justified Transaction were conducted at market terms and conditions.
18 Bangkok Media & Broadcasting Co., Ltd. **Relationship** • Associate of The Sahakol Estate Co., Ltd. • Common shareholders and directors	Advertising expenses	469,490	Company received revenue from Bangkok Media & Broadcasting Co., Ltd. for advertisements on board. Bangkok Media & Broadcasting Co., Ltd. produced advertising media to company. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
19 Airport Restaurant Co., Ltd. **Relationship** • Common directors	Trade account payable Expenses Trade account receivable	124,796 741,719 185,600	Company buys food vouchers for its staffs from Airport Restaurant Co., Ltd. with normal course of business at market price. Airport Restaurant Co., Ltd. pays fees to company for its operation in Airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
20 Koh Chang Accom Limited Partnership **Relationship** • Common directors	Expenses	1,308	Koh Chang Accom Limited Partnership provides baggage services and vehicles to company with normal course of business at market price Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
21 **Krungthep Limousine Co., Ltd.** **Relationship** • Common shareholders and directors	Expenses Deposit Other revenue	699,500 63,000 252,000	Krungthep Limousine Co., Ltd. provides passenger and baggage services at Trat Airport with normal course of business at market terms and conditions. Opinion from Audit Committee: Transactions were justified Transaction were conducted at market terms and conditions.
22 **Mr.Pradit Theekakul** **Relationship** • Shareholder and directors of BA	Personal guarantee	27,020,000	Mr.Pradit Theekakul provided collateral and personal guarantee on behalf of More Than Free Co., Ltd. for Letter of Guarantee, issued by company, to the Custom Department. Opinion from A.udit Committee: Company risks were mitigated by the personal guarantee and collateral provided. Negotiation with the Custom Department to exchange Company's Letter of Guarantee with newly issued Letter of Guarantee must be monitored.
23 **Bangkok Safety Service Co., Ltd.– BSS** **Relationship** • Deem Related Parties Transaction	Trade account payable Expenses Revenue Cash deposit Other deposit Trade account receivable	2,451,423 67,948,281 182,160 45,540 347,200 270,316	BSS provides cleaning and security services to company's offices, Suvarnabhumi and Samui airports with normal course of business. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
24 Bangkok Aviation Services Co., Ltd. - BASE **Relationship** • Deem Related Parties Transaction	Trade account payable Expenses Revenue Cash deposit Other deposit Trade account receivable	1,870,540 169,584,200 813,354 543,120 267,055 710,132	BASE provides cleaning and security services to company's airports with normal course of business. **Opinion from Audit Committee:** Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
	Trade account payable Rental expenses	960,000 960,000	Company rents office space from BASE to use as its Sales office. **Opinion from Audit Committee:** Transactions were justified where rental fees and services fees were charged at market terms and conditions.
25 More Than Free Co., Ltd. **Relationship** • Deem Related Parties Transaction	Trade account receivable Freight revenue	21,444 97,498	Company provides cargo services to More Than Free Co., Ltd. with 20% discount from normal fees for shipment with weight more than 45 kgs. **Opinion from Audit Committee:** Transactions were justified Transaction were conducted at market terms and conditions.
	Expenses Trade account payable	2,175,000 1,022,626	Company buys goods from More Than Free Co., Ltd. at market price **Opinion from Audit Committee:** Transactions were justified Transaction were conducted at market terms and conditions.
	Trade account receivable Rental revenue Other revenue Deposit	417,771 1,532,160 2,966,694 40,000	More Than Free Co., Ltd. rents commercial space at Samui Airport with normal course of business. **Opinion from Audit Committee:** Transactions were justified where rental fees and services fees were charged at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
26 Food and Traval Co., Ltd. **Relationship** • Deem Related Parties Transaction	Cancelled Flight - Expenses	4,000	Company buys foods from Food and Traval Co., Ltd. at market price Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
27 Bags Ground Services Co., Ltd. - BAGS **Relationship** • Deem Related Parties Transaction	Trade account payable Expenses Deposit Accrued Expenses	94,665,786 443,756,408 1,082,080 30,071,688	Company uses BAGS's ground handling services with normal course of business at market terms and conditions. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
	Trade account receivable Air ticket revenue Freight revenue	1,420,573 2,294,145 144,744	Company provides cargo services to BAGS with 20% discount from normal fees for shipment with weight more than 45 kgs. Company also sells air tickets to BAGS's on duty staffs. Opinion from Audit Committee: Transactions were justified where tickets fares, and services fees were charged at market terms and conditions.
	Rental revenue	2,691,626	BAGS rents office space at Phuket Airport from company. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
	Other revenue	12,097,734	Company provides public utility, radio communication equipment and other services to BAGS with normal course of business. In 2015 Company sold its ground equipment to BAGS and recognized revenue of THB 7.0 MB. (one-time transaction). In addition, Company claimed compensation from services provided from BAGS of THB 3.0 MB. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.
28 **A.P.Sheriff Co., Ltd.** **Relationship** • Deem Related Parties Transaction	Expenses	1,451,216	A.P.Sheriff Co., Ltd. provides cleaning and security services to company's airport with normal course of business. **Opinion from Audit Committee:** Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.

(2) Transactions with Bangkok Airways Holding Co., Ltd. (BAH)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
1 **Bangkok Dusit Medical Services Pcl. - BDMS** **Relationship** • Common shareholders and directors	Investment Divident	4,551,000,000 47,150,000	BAH has long term investment in BDMS shares, recored as available for sale securities. **Opinion from Audit Committee:** Transactions were justified. Company and its subsidiaries must comply with company's investment policy.

(3) **Transactions with Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd. (BFS Ground)**

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
1 **Aeronautical Radio of Thailand Co., Ltd. - AEROTHAI** **Relationship** • State enterprise under the Ministry of Transport and Communications. • To provide air traffic control and aeronautical communication services for airline operations. • The Ministry of Finance is a major shareholder • Common directors	Trade account payable Equipments expenses Expenses	69,000 17,379,930 154,380	BFS Ground rents communication equipments from AEROTHAI with normal terms and conditions. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
2 **Bangkok Dusit Medical Services Pcl. - BDMS** **Relationship** • Common shareholders and directors	Trade account receivable Service fee revenue	473,475 2,886,950	BFS Ground provided meet & assist services to BDMS at market price. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

(4) **Transactions with Bangkok Air Catering Co., Ltd. (BAC)**

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
1 **Phythai 1 Hospital Co., Ltd.** **Relationship** • Subsidiary of BDMS • Common directors	Annual check up	548,030	Phythai 1 Hospital Co., Ltd. provides medical check up services to BAC staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regulare basis.

	Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
2	**Samitivej Pcl. - SVH** **Relationship** • Subsidiary of BDMS • Common directors	Trade account payable Medical staffs expenses	135,000 1,485,000	BAC hires medical staffs from SVH to attend at BAC's first aid room. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regulare basis.
3	**Aeronautical Radio of Thailand Co., Ltd. - AEROTHAI** **Relationship** • State enterprise under the Ministry of Transport and Communications. • To provide air traffic control and aeronautical communication services for airline operations. • The Ministry of Finance is a major shareholder • Common directors	Trade account payable Equipments expenses System installation fees	138,250 1,588,650 16,140	BAC rents communication equipments from AEROTHAI with normal terms and conditions. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.
4	**Paradise Shopping Co., Ltd.** **Relationship** • Common shareholders and directors	Trade account receivable Rental revenue	79,686 398,964	BAC provides storage space to Paradise Shopping Co., Ltd.. BAC also provides services to Paradise Shopping Co., Ltd. at price indicated in contracts. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions. Other services contract was justified since fees was charged base on cost plus margin.
5	**Bangkok Air Tour (1988) Co., Ltd.** **Relationship** • Associate of The Sahakol Estate Co., Ltd. • Common shareholders and directors	Air ticket expenses	330,600	Bangkok Air Tour (1988) Co., Ltd. sells tickets to BAC at market price and normal terms and conditions. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions. BAC can also use other service providers to perform required services.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
6 **Dhammachart Na Thai Co., Ltd.** **Relationship** • Common shareholders and directors	Trade account payable Expenses	79,040 413,985	BAC buys agricultural products from Dhammachart Na Thai Co., Ltd. at market price with normal terms and conditions. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.
7 **A.P.Sheriff Co., Ltd.** **Relationship** • Deem Related Parties Transaction	Trade account payable Expenses	67,624 758,243	A.P.Sheriff Co., Ltd. provides cleaning and security services to BAC's facilities with normal course of business. **Opinion from Audit Committee:** Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
8 **More Than Free Co., Ltd.** **Relationship** • Deem Related Parties Transaction	Trade account receivable Rental Revenue	90,369 453,528	More Than Free Co., Ltd. provides storage space to BAC at market price and normal terms and conditions. **Opinion from Audit Committee:** Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.

(5) Transactions with BAC Goumet House Co., Ltd. (BACGH)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
1 **Bangkok Dusit Medical Services Pcl. - BDMS** **Relationship** • Common shareholders and directors	Trade account receivable Catering revenue	39,826 1,174,185	BACGH provided catering services to BDMS at market price with normal terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
	Trade account payable Rental expenses Utilities expenses Deposit	128,502 3,115,640 1,356,633 703,840	BACGH rents space from BDMS for its restaurant facility at market price and normal terms and conditions. **Opinion from Audit Committee:** The aforementioned transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
2 **Phythai 1 Hospital Co., Ltd.** **Relationship** • Subsidiary of BDMS • Common directors	Annual check up	53,740	Phythai 1 Hospital Co., Ltd. provides medical check up services to BACGH staffs. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regulare basis.

(6) Transactions with Gourmet Primo Co., Ltd. (GP)

- No Transaction -

(7) Transactions with Bangkok Airways Ground Services Co., Ltd. (PGGS)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
1 **Aeronautical Radio of Thailand Co., Ltd. - AEROTHAI** **Relationship** • State enterprise under the Ministry of Transport and Communications. • To provide air traffic control and aeronautical communication services for airline operations. • The Ministry of Finance is a major shareholder • Common directors	Trade account payable Cash advance	242,234 10,710,962	PGGS provides ground handling services to airline operations (including payment in advance for communication services to AEROTHAI). Its customer will reimburse money to PGGS **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2015 (Baht)	Rationale
2 **Samui Convenient Store Co., Ltd.** **Relationship** • Subsidiary of The Sahakol Estate Co., Ltd. • Common shareholders and directors	Expenses Assets	187,141 327,293	PGGS buys catering equipment and raw materials from Samui Convenient Store Co., Ltd. at market price with normal terms and conditions. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.
3 **Bags Ground Services Co., Ltd.- BAGS** **Relationship** • Deem Related Parties Transaction	Trade account payable Expenses Deposit	3,913,140 40,925,300 1,500,000	BAGS provides ground handling services to PGGS at Samui Airport at normal terms and conditions. **Opinion from Audit Committee:** Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
4 **A.P.Sheriff Co., Ltd.** **Relationship** • Deem Related Parties Transaction	Expenses	352,000	A.P.Sheriff Co., Ltd. provides security services to PGGS's facilities at Samui Airport with normal course of business. **Opinion from Audit Committee:** Transactions were justified where services fees were charged at market terms and conditions.
5 **Bangkok Aviation Services Co., Ltd.- BASE** **Relationship** • Deem Related Parties Transaction	Expenses	590,400	BASE provides cleaning and security services to PGGS at Samui Airport with normal course of business. **Opinion from Audit Committee:** Transactions were conducted with normal course of business at market terms and conditions.

Fly Boutique.
Feel Unique.

Management's Discussion and Analysis

Management's Discussion and Analysis

for the year ended 31 December 2015

Airline Operating Data

	Unit	January - December 2015	January - December 2014
Schedule passenger revenues [1]	Million Baht	**19,517.1**	**18,063.6**
Domestic		11,886.1	11,027.7
International		7,631.0	7,035.9
Available Seat Kilometers (ASK) [2]	Million Seat - Kilometers	**5,853.6**	**5,655.0**
Domestic		3,365.4	3,230.5
International		2,488.2	2,424.5
Revenue Passenger Kilometers (RPK) [2]	Million Seat - Kilometers	**3,911.5**	**3,691.4**
Domestic		2,350.0	2,209.3
International		1,561.5	1,482.1
Passenger Load Factor	Percentage	**66.8**	**65.3**
Domestic		69.8	68.4
International		62.8	61.1
Number of schedule passengers carried [2]	Thousand	**5,149.5**	**4,789.8**
Domestic		3,719.6	3,487.5
International		1,429.9	1,302.3
Number of flight flown	Flight	**63,180**	**60,612**
Domestic		43,876	42,239
International		19,304	18,373
Total seat capacity	Thousand	**7,653.4**	**7,357.2**
Domestic		5,290.4	5,080.6
International		2,363.0	2,276.6
Number of aircraft at end of year	Aircraft	**31**	**27**
Airbus A320		8	8
Airbus A319		11	10
ATR 72-500		8	8
ATR 72-600		4	1
Aircraft utilization [3]	Block Hour	**9.02**	**8.81**
Airbus A320	per Day	9.63	9.14
Airbus A319	per Aircraft	9.32	9.43
ATR 72-500 & ATR 72-600		8.10	7.82

	Unit	January - December	
		2015	2014
Average Stage Length	Kilometers	759.6	770.7
Kilometers flown [(2)]	Million Kilometers	45.8	44.3
Passenger Yield [(4)]	Baht per Passenger - Kilometers	4.99	4.89
Revenue ASK (RASK)	Baht per Available Seat - Kilometers	3.60	3.41
Cost per ASK (CASK)		3.30	3.26
Cost per ASK excluding fuel cost		2.55	2.34
RASK – CASK		0.30	0.15

Remark

(1) These figures are different from those included in Company's consolidated Financial Statements as they include revenues (before deducting discounts and commissions) from scheduled flights, net interline revenues from flights operated by other airlines and marketed by it on a code-share basis, revenues derived from non-codeshare interline sales by it of seats on other airlines' flights, fuel and insurance surcharge revenue. Exclude revenues from cargo services, charter services and other revenue.

(2) Excludes non-scheduled flights and flights operated by other airlines and marketed by it but includes flights operated by it and marketed by other airlines.

(3) Excludes non-scheduled flights.

(4) Scheduled passenger revenues excluding fuel surcharge, insurance surcharge and excess baggage divided by RPKs.

The following table presents operating and financial performance of the Company's subsidiaries and associated companies in airport-related operations was illustrated below:

Unit: million baht

	January - December	
	2015	**2014**
Catering services (BAC):		
Revenue[1]	1,456.0	1,350.0
EBITDA	431.6	372.0
Net income	284.5	267.0
Number of meals produced and uplifted (million meals)	9.9	8.9
Ground Services (BFS Ground):		
Revenue[1]	2,130.1	1,948.8
EBITDA	304.8	246.0
Net income	146.1	111.5
Number of flights handled (flight)	58,074	54,871
International cargo terminal services data (BFS Cargo):		
Revenue[1]	1,567.9	1,557.7
EBITDA	672.2	684.1
Net income	443.6	453.9
Tonnage	375,301	371,530
Cargo capacity (ton per year)[2]	450,000	550,000
Utilization (%)	83.4	67.6

Remark :

(1) Revenues from subsidiaries and associated companies exclude revenues earned from transactions with the Company

(2) Capacity adjustment was due to the fact that the proportion of imported goods was significantly higher than exported goods

(current proportion of imported goods to exported goods was 46:54, changing from 34:66) which require longer time in transit whereas the exported goods take only 0.5 day in the warehouse before shipping out; thus, overall capacity was reduced from 550,000 ton per year to 450,000 ton per year.

Economic and Aviation Industry

Overall Thai economy for year 2015 was mainly driven from government spending on projects related to public utilities and immense infrastructure, and tourism industry. Economic growth for this year comparing to year 2014 was 2.8 percent which was lower than the forecast announced in November 2015 by 0.1 percent. This was affected by the slow growth in global economy, and also a continuous decline in fuel price (Source: Office of the National Economic and Social Development Board). Nevertheless, this would somehow become an important factor that will encourage economic stimulus by the government.

In part of export which is used as an economic indicator for demand side, it was shrinking significantly by 5.8 percent, the hardest shrinkage in 6 years (Source: Ministry of Commerce). Again, the weakening was from flat growth in global economy as well as key trading partners including the United States, Europe, Japan and China who has slowed down an import of goods. In addition, the sluggish growth of Chinese economy could be another factor. As a consequence, it is unlikely for global demand to recover, and finally affect the export from Thailand. However, the export to CLMV (Cambodia-Laos-Myanmar-Vietnam) group has still outperformed.

Recently, tourism industry becomes an important driving force of Thai economy. The expansion of the industry was recognizable from rising numbers of both domestic and international tourists, despite the external factors that might impact tourism like political unrest and Ratchaprasong bombing in August 2015. Those situations were rapidly recovered as seen from 20.0 percent growth in number of inbound international tourists, particularly the Asians, comparing to year 2014. Number of Chinese tourists has outgrown by 73.4 percent while number of the Europeans (excluding Russians) and the Middle East have expanded by 6.6 percent and 11.0 percent respectively (Source: Department of Tourism, Ministry of Tourism and Sport). Additionally, tourism strategy has been thoroughly supported by the Ministry of Tourism and Sport by improving tourist attractions and service quality to meet general standard. The improvement has involved the development of infrastructure, transportation in particular, in order to cover main and secondary routes to tourist attractions.

Overall aviation industry for year 2015 still showed 6.5 percent growth in revenue passenger kilometers (RPK) of all region while RPK of Asia-Pacific was growing at 8.6 percent, the second highest following the Middle-East's whose RPK growth was at 10.0 percent. The available seat kilometers (ASK) of all region and Asia-Pacific was increasing by 5.6 percent and 6.7 percent respectively (Source: International Air Transport Association). The growing number of passengers was mainly derived from lower fares which decreased by 5.0 percent, comparing to year 2014. For the growth within Asia-Pacific, this could be a consequence from 7.3 percent increase in direct flights to the region which may stimulate passengers' traveling demand as less time required for a trip.

For year 2016, Kasikorn Research forecast the number of international visitors will be 31.4 – 32.3 million people approximately, increasing by 5.0 – 8.0 percent from year 2015, resulting from marketing campaigns launched by the government and intense competition among airline business, which might become more intense from additional marketing activities initiated by foreign airlines in Asia-Pacific and Thailand which are remarked to have excessive tourism growth potential. One main target group is surely tourists from East Asia, including Chinese tourists and investors. Thailand is still considered as a preferred destination for the Chinese. Moreover, the group of the Middle East may have to monitor fuel price since this can impact their economic stability. Visiting Thailand as a destination of medical tourism, the spending per head of the Middle East is usually high. The research also stated that the growth in European market in year 2016 will convert from negative growth at -8.7 percent to be positive growth at 3.0 percent. Nevertheless, several factors may have an influence in growth of tourism industry for year 2016; for example, Thai economy, political issue, terrorism and tourism competition among countries.

1. Overview

We are a boutique full service airline in Thailand, offering premium, quality service to our passengers. We were founded in 1984, and we officially commenced scheduled passenger flight services in 1986 under our current name "Bangkok Airways". As of December 30, 2014, we operated regularly scheduled flights on 15 domestic routes covering major cultural and leisure destinations in Thailand such as Phuket, Samui, Chiang Mai and Krabi. In addition, as of December 30, 2014, we operated scheduled flights on 15 international routes to destinations including Myanmar, Laos, Cambodia, Malaysia, Singapore, Hong Kong, India, Bangladesh and the Maldives. We determine markets that are less than a five-hour flight time from each hub, which gives us access to passengers travelling to and from Southeast Asia and South Asia. Through our code-share and other cooperative arrangements with other airlines such as Etihad Airways, Japan Airlines, Malaysia Airlines, British Airways, Cathay Pacific, Qantas Airways and Silk Air, we are able to extend our reach to passengers originating from destinations including Europe, South Asia, the Middle East and Japan. We operate our airline services from three principal hubs, the Suvarnabhumi International Airport in Bangkok, Samui Airport in SuratThani, and Chiang Mai International Airport in Chiang Mai.

We own and operate three airports, which are Samui Airport, Sukhothai Airport and Trat Airport. On November 24, 2006, we entered into an agreement to lease Samui Airport, together with its facilities, to the Samui Property Fund for a period of 30 years (ending in 2036) for THB9,300.0 million. On the same date, we entered into an agreement to sublease the Samui Airport from the Samui Property Fund for a period of three years, renewable nine times for periods of three years each and another agreement pursuant to which we are to receive utilities system services at the Samui Airport from the Samui Property Fund for a period of 30 years. The longterm lease agreement with the Samui Property Fund specified the fixed payment of THB47.5 million per month which will be increased based on number of departing passengers and number of arriving flights. We hold 25.0% of the outstanding units in the Samui Property Fund.

Apart from airline services and airport services, we also provide airport-related services including cargo terminal services, ground and passenger services and in-flight catering services to our flights and those of other airlines through our subsidiaries and associated companies as follows:

Company	Details
BFS Ground	BFS Ground, our 90.0% owned subsidiary, provides passenger services and ground support equipment services at the Suvarnabhumi International Airport. BFS Ground also holds 51.0% in its subsidiary, BFS Cargo DMK Co. Ltd., a cargo service provider based at the Don Mueang Airport.
BAC	BAC, our 90.0% owned subsidiary, provides in-flight catering services at the Suvarnabhumi International Airport. BAC also holds 99.99% in BAC Gourmet House Co., Ltd., a dining restaurant operator, 99.99% in Bangkok Air Catering Phuket Co., Ltd., a catering service provider at the Phuket Airport. and 99.99% in Bangkok Air Catering Samui Co., Ltd., a catering service provider at the Samui Airport.
PGGS	Bangkok Airways Ground Services Co., Ltd., our 99.99% owned subsidiary, provides passenger services and ground support equipment services at the Samui Airport.
BFS Cargo	BFS Cargo, our 49.0% owned associated company, provides international cargo terminal services at the Suvarnabhumi International Airport. As BFS Cargo is an associated company, it is not consolidated in our consolidated Financial Statements and accordingly, its revenue is not presented in our sales and service income but our share of its income is recorded as income from investments in associates. BFS Cargo holds 49.0% in its associated company, BFS Cargo DMK, the remainder of which is owned by BFS Ground.

Our fleet size grew from 27 aircraft as of December 31, 2014 to 31 aircraft as of December 31, 2015. We took deliveries three of ATR 72-600 and one Airbus A319 during the year 2015

2. Factors Affecting Results of Operations

Our financial condition and results of operation have been, and will continue to be, affected by a number of important factors, including the following:

2.1 Factors Affecting Airline Services

Aviation Operating Environment, particularly Thailand

Our passenger revenue depends primarily on tourism and, to a lesser extent, business travel to Thailand, which is in turn affected by fluctuations in the foreign exchange value of the Thai Baht against other core currencies, the levels of global and Thai economic activity, Thai domestic and political unrest, natural disasters, seasonal and other changes in traffic patterns and the availability of air traffic rights and time slots. In addition, our passenger revenue is dependent on our responses to, and ability to compete with, international and domestic airlines as well as low-cost or budget airlines.

Extraordinary events beyond our control such as terrorist attacks and outbreaks of contagious diseases have adversely affected the airline industry, the Thai economy and economic activity in the region, resulting in depressed demand for flights and ancillary services, lower airfares, higher insurance premiums and increased security costs. These extraordinary events may take place in the future and may have short-term or long-term impact on the airline industry and on our business, financial condition, results of operations and prospects.

However, despite the disruptions due to the financial crisis and the debt crisis in the Eurozone as well as other political, health and environmental shocks and the aforementioned events, we were able to consistently increase our RPKs from 3,691.4 million passenger kilometers in 2014 to 3,911.5 million passenger kilometers in 2015.

Capacity and Route Mix

Our capacity and route mix are the major factors that specifies the Available Seat-Kilometer (ASK). Our ASK increased from 5,655.0 million passenger kilometers in 2014 to 5,654.9 million passenger kilometers in 2015

Aircraft Fleet

As of December 31, 2015, we had a fleet of 31 aircraft, comprising eight ATR 72-500, four ATR 72-600, eleven Airbus A319 and eight Airbus A320. The average age of our fleet was approximately 9.0 years. The aircraft in our current fleet can provide 3,600 aircraft seat capacity.

Our ATR 72-500, ATR 72-600, Airbus A319 and Airbus A320 aircraft allow us to pair our aircraft with suitable routes. Our fleet currently includes ATR 72-500 and ATR 72-600 aircrafts which offer the ability to access certain airports that are inaccessible by larger aircraft, and to serve routes with lower passenger volume. They also allow us to make adjustments to effectively manage flight frequency on routes with lower demand or during the off-season. Our Airbus A319 aircraft enable us to expand the capacity of our routes to the Samui Airport, while our Airbus A320 aircraft allow us to expand our international routes to include destinations such as Mumbai and Dhaka.

Route Mix Strategy

We assess our route mix on basis using a variety of tools, including our revenue management system, to maximize revenues, yield and fleet utilization and capacity. Route mix is primarily driven by supply and demand factors, while our cabin load factors vary from route to route and during different time periods, as certain factors will vary at any given time. Similarly, we assess and adjust our route mix after reviewing the total capacity allocated to particular routes, the competition on specific routes, passengers flown and average pricing, additional revenues generated from connecting flights, as well as costs and possible cost escalation. If a new route is not profitable after a trial period of typically 18 to 24 months, we may consider lowering the frequency of the route and continuing to monitor quarterly, or cancel the route. However, we may, on a case-by-case basis, keep unprofitable routes where the passenger flow from such route into our route network generates sufficient profit to justify the route.

In 2015, we are increasingly focusing on the connectivity and compatibility of certain domestic and regional routes to other routes. Code-share and other cooperative arrangements enable us to increase our cabin load factor with passengers connecting onto our flights from various international locations. We have increased our code-share arrangements to 20 as at December 31, 2015.

Traffic Rights and Slot Availability

Our ASKs and route mix are affected by allocated traffic rights and the availability of landing and departure slots. Mandated caps on the number of total seats in aircraft that an airline is allowed to fly into a particular destination and the availability of landing and departure slots may affect our ability to adjust our route mix, as certain restrictions may prevent us from increasing flight capacity to more profitable or higher demand destinations.

Fares

Average fares, calculated as total scheduled passenger revenue divided by total number of passengers carried, amounted to THB 3,771.3 and THB 3,790.1 in 2014 and 2015, principally due to increased competition on certain routes and the increase of low passenger yield routes.

Pricing and Management of Revenue Strategy

The airline industry is characterized by substantial intense price competition. Generally, we and our competitors discount fares during low seasons to stimulate demand. Such discounts generally trigger discount fares from other airline competitors as well. When we discount our fares, our yields are lowered and our results of operation are adversely affected as our passenger yields are lowered. However, we have adopted a flexible pricing strategy that maximizes yield and cabin load factor. We actively manage passenger yields through our revenue management system, AirVision Revenue Manager, and our marketing and sales policies. Our revenue management system uses forecasting and optimization models to analyze economic tradeoffs required to determine the number of seats offered at each fare, which enables us to maximize revenues from existing capacity. Similar to our review of our route mix, our marketing and sales policies take into consideration several factors, including supply and demand, market and competitor pricing and our RPK allocation to, and past performance in, the geographical areas or regions. To remain competitive, we generally make fare adjustments on a regular basis, which may involve fare discounts on certain routes to stimulate cabin load factor in advance of travel. We seek to maximize our revenues by increasing fares on flights where advance booking figures and demand are strong, and on certain routes that have historically consistent or higher cabin load factors.

Competition

We face intense competition, both from other full-service carriers and from low-cost carriers. In addition, our competitors may undercut its fares in the future or increase capacity on their routes in an effort to increase their market share, any of which could reduce our fares, load factors and market share and may cause us to revise our cost structure and fares. The airline industry is particularly susceptible to price discounting because airlines incur only nominal variable costs to provide service to passengers occupying. Any changes in competition conditions in the Thai and regional airline markets, including as a result of ASEAN "Open Skies" policies, could significantly affect our business, financial condition, results of operation and prospects.

Fuel Prices

The largest component in our cost of sales and services is aircraft fuel costs, which includes payments for aircraft fuel and gains or losses under fuel hedging contracts. Aircraft fuel costs comprised 29.6% and 24.2% of our costs of sales and services in 2014 and 2015, respectively. Our fuel costs fluctuate significantly in line with changes in global oil prices, which have historically been, and will in the future continue to be, subject to price volatility and fluctuations in supply and demand. Our average fuel price amounted to US$122.49 per barrel in 2014, and US$89.7 per barrel in 2015.

We procure a substantial majority of our aircraft fuel required for our flights pursuant to agreements with PTT and Shell Thailand with two to three year terms. Our domestic aircraft fuel supply agreements are priced in U.S. Dollars but provide for payment in Thai Baht. Our international aircraft fuel supply agreements are priced, and generally provide for payment, in U.S. Dollars. Our aircraft fuel prices under our aircraft fuel supply agreements are generally set as the mean price of fuel oil traded through Singapore, as published by Platts under Mean of Platts Singapore ("MOPS").

We engage in various hedging transactions from time to time to manage our aircraft fuel costs to a manageable level, including transactions to manage cost for periods not more than one year forward. We use a variety of hedging arrangements, including fuel price swap agreements, fuel price option agreements and fuel price collar agreements (combination of a put option and a call option), which were review on a quarterly basis. In addition, as a result of our hedging arrangements, even if market prices for aircraft fuel were to fall in the future, we may not be able to reduce our fuel costs in a timely manner. Because of the nature of our fuel price hedging arrangements, we have to recognize the difference of the fuel price if the fuel price is lower than the minimum price of the hedging arrangement and vice versa, and we will be compensated the difference if the fuel price is higher than the minimum price of the hedging arrangement, with the relevant gain or loss recorded as part of our costs of sales and services in our consolidated Financial Statements.

Airline Expenses

A significant portion of our expenses, including aircraft maintenance and overhaul costs, depreciation and amortization, lease of aircraft and spare parts, finance costs, operating lease payments and some labor costs, are recurring costs which do not vary based on the number of flights flown. Thus, higher aircraft utilization rates result in lower unit costs and higher per passenger returns. In addition, certain of our expenses, including aircraft fuel costs and labor costs for flight deck crew and cabin crew vary based on the number of flights operated but not on our cabin load factor. Thus, minor changes in cabin load factor could have a material effect on our results of operation. We seek to manage costs by maximizing aircraft utilization rates, subject to maintaining an adequate cabin load factor and any applicable operational and regulatory limits.

We seek to manage costs by focusing on route management, fuel management and hedging, headcount control, staff salaries and benefits and overtime and control of cabin crew expenses.

Aircraft lease expenses

As of December 31, 2015, 21 out of 31 of our aircraft leases are operating leases, and the remainder were finance leases. We also own five aircrafts.

Aircraft lease expenses include the aircraft lease payments that we make to leasing companies and trading companies under operating leases. These expenses are mainly denominated in U.S. Dollars. Under our operating lease arrangements, we are entitled to use the aircraft and are obligated to make rental payments according to the relevant lease arrangements. We are required to return the aircraft in the agreed condition at the end of the lease term. Although the title remains with the lessor, we are responsible during the lease term for legal and regulatory compliance, repair and maintenance, servicing, tax and insurance of the aircraft. Lease payments made under operating leases are recognized as aircraft rent expenses in our income statement. Liabilities relating to aircraft subject to operating lease arrangements are not recorded on our balance sheet but reported in the notes to our financial statements.

Maintenance expenses

As of December 31, 2015, the average age of our fleet was approximately 9.0 years. In general, the cost of maintaining aging aircraft will exceed the cost of maintaining newer aircraft. As our fleet ages, it will require more maintenance and our operation and maintenance expenses will increase on an absolute basis, and such maintenance may affect our ASKs and aircraft utilization and as a result, affect our results of operations. Moreover, as our fleet ages we will not be able to benefit from manufacturer warranties which typically range for two to three years. Further, as our fleet ages, public perception of our aircraft fleet and any customer uncertainty as to safety and related issues could affect passenger demand for our flights and thus affect our results of operation.

Seasonality

Our results of operation are subject to seasonal fluctuations. We experience fluctuations in passenger demand at different times of the day and week and seasonal trends. In the future, we expect our results of operation to continue to fluctuate as a result of a variety of seasonal factors, including changes in passenger demand, flight schedule and cost of sales and services. The load factors are usually highest in the first quarter during Thailand's peak tourist season, and the next highest in the fourth, third and second quarters of the year, respectively.

During periods with high passenger demand, we assess the relevant supply and demand and market factors to increase flight capacity. We also reallocate or reduce flight capacity during periods with low passenger demand and undertake more aircraft maintenance during low periods of demand. As a result, we typically concentrate on our aircraft maintenance during this quarter.

Risk from the exchange rate

Ticket prices denominated in foreign currencies fluctuate according to the exchange rate of those foreign currencies against the Thai Baht. In addition, the cost of sales and services denominated in foreign currencies may increase when they are converted to Thai Baht. As a result, we have a policy aimed at managing our foreign exchange risk exposure by matching receipts and payments in each individual currency. We are also able to determine the currency we receive from the sales of passenger tickets by IATA-authorized agents. We manage the foreign currency that we cannot provide and the remaining foreign currency balance by converting amounts into the desired currency, at the spot rate at the time of conversion. We have not entered into any hedging contracts to hedge against fluctuations in exchange rates. We record profit or loss from converting the net foreign currency as other revenues or other expenses as the case may be.

Interest Rate Exposure

Our outstanding indebtedness is subject to both fixed and variable interest rates. As of December 31, 2015, 2.4% of our total indebtedness bear interest at floating rates (including finance leases). Currently, we are not a party to any agreement to hedge our interest rate exposure.

2.2 Factors Affecting Airport Operations

Our revenues from airports are derived from our THB200.0 to THB700.0 per passenger service charge received from international and domestic passengers travelling out of the Samui Airport, the Sukhothai Airport and the Trat Airport. Changes in our revenues from passenger service charges are driven by the number of departing passengers at our airports and the collected rate of passenger service charge. We also derive other revenue from landing fees and parking fees received from other airlines, which are related to the number of flights landing in our airports.

2.3 Factors Affecting our Airport-related Services

BFS Cargo

WFS–PG Cargo Co., Ltd. (BFS Cargo), our 49.0% owned associated company, is an international cargo services provider at the Suvarnabhumi International Airport. Its 49.0% owned associated company, BFS Cargo DMK Co., Ltd., is a cargo services provider at the Don Mueang International Airport.

Factors which affect BFS Cargo's results of operations include tonnage served and the prices charged, which are in turn dependent on global economic activity and supply and demand, and cost of manpower. BFS Cargo served its tonnage at 371,530 tons in 2014 and 375,301 in 2015.

BAC

Bangkok Air Catering Co., Ltd. (BAC), our 90.0% owned subsidiary company, operates in-flight catering services at the Suvarnabhumi International Airport. Its 99.99% owned subsidiary company, BAC Gourmet House Co., Ltd., is a restaurant operator, its 99.99% owned subsidiary company, Bangkok Air Catering Phuket Co., Ltd. operates catering services at the Phuket Airport and its 99.99% owned subsidiary company, Bangkok Air Catering Samui Co., Ltd. operates catering services at the Samui Airport.

Factors which affect BAC's results of operations include the number of meals produced and uplifted, price per meal and raw material food costs. BAC has increased the number of meals produced and uplifted from an average of 24,528 meals per day in 2014 to 27,055 meals per day in 2015.

BFS Ground

Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd. (BFS Ground), our 90.0% owned subsidiary, provides passenger services and ground support equipment services at the Suvarnabhumi International Airport. Its 51.0% owned subsidiary company, BFS Cargo DMK Co., Ltd., is a cargo services provider at the Don Mueang International Airport.

Factors which affect BFS Ground's results of operations include prices charged, number of flights handled and the cost of manpower. BFS Ground has expanded its number of flights handled from 54,871 flights in 2014 to 58,074 flights in 2015. BFS Ground's pricing strategy depends primarily on the prices charged by other competitors. The number of flights BFS Ground handles also depends on flight traffic at the Suvarnabhumi International Airport.

3. Result from Operations

Operating performance summary for the year 2015 ended December 31, 2015

Unit: million baht

	January - December			
	2015	2014	Variance	
			Amount	%
Net profit (loss) for the period	1,849.1	385.7	1,463.4	379.4
Plus:				
Finance Cost	1,606.4	1,638.4	(32.0)	(2.0)
Income tax expenses	250.0	0.5	249.5	49,900.0
Written-off fixed assets	1.0	11.8	(10.8)	(91.5)
Less:				
Dividend income	280.4	244.1	36.3	14.9
Interest received	255.8	73.6	182.2	247.6
Gain on foreign exchange	322.9	71.7 [1]	251.2	350.4
Non-operating revenues [2]	9.2	7.3	1.9	26.0
EBIT [3]	**2,838.2**	**1,639.6**	**1,198.6**	**73.1**
Plus:				
Depreciation and amortization	833.4	644.7	188.7	29.3
EBITDA [3]	**3,671.6**	**2,284.4**	**1,387.2**	**60.7**
Plus:				
Operating lease expenses	1,621.7	1,754.0	(132.3)	(7.5)
EBITDAR [3]	**5,293.3**	**4,038.4**	**1,254.9**	**31.1**
Total revenue	24,902.9	22,123.5	2,779.4	12.6
Operating revenue [4]	24,034.6	21,726.8	2,307.8	10.6
Profit attributable to equity holders of the Company	1,796.9	351.1	1,445.8	411.8
EBIT Ratio (%)	**11.8**	**7.6**	**4.2**	
EBIDA Ratio (%)	**15.3**	**10.5**	**4.8**	
EBITDAR Ratio (%)	**22.0**	**18.6**	**3.4**	

Remark
(1) For financial statements as of 31 December 2014, gain on foreign exchange was included in other revenues.
(2) Comprises of gain on sale of investments, sale of investment in subsidiaries and sale of assets.
(3) EBIT, EBIT margins, EBITDA, EBITDA margins, EBITDAR or EBITDAR margins are not standard measures, nor measurements of financial performance or liquidity, under TFRS, and should not be considered alternatives to net profit (loss) or any other performance measure or as an alternative to cash flow from operating activities. Since there are various calculation methods, its presentation may not be comparable to similarly titled measures used by other companies.
(4) Comprises of total revenue net dividend income, gain on foreign exchange, interest income and non-operating revenues.

Operating Profit and Net Income

The operating revenue of the Company for year 2014 and year 2015 were 21,726.8 million baht and 24,034.6 million baht respectively, increasing by 10.6 percent while total operating expenses increased from 20,530.1 million baht to 21,692.8 million baht or around 5.7 percent, largely due to an increase in personnel expenses, cost of passenger services and aircraft maintenance.

The earnings before interest and tax, depreciation, amortization, and rent (EBITDAR) were derived from total income (excluding dividend income, gain on foreign exchange, interest income and non-operating revenues) less total expenses plus depreciation and amortization expenses, and aircraft rental, equaled to 4,038.4 million baht and 5,293.3 million baht or 18.6 percent and 22.0 percent of total operating revenue for year 2014 and year 2015 respectively.

For year 2015, net profit of the Company was 1,849.1 million baht, an increase of 1,463.4 million baht or 379.4 percent from the same period last year in which the amount attributable to equity holders of the Company was 1,796.9 million baht or 97.2 percent of net profit.

Revenue

Consolidated revenue of the Company, excluding the inter-segment revenue, are divided into 4 segments as follows:

Unit: million baht

	January - December				Variance	
	2015	%	2014	%	Amount	%
1. Airlines	19,429.6	78.0	17,844.1	80.7	1,585.5	8.9
2. Airports	535.3	2.2	504.3	2.3	31.0	6.2
3. Airport-related services	3,148.3	12.6	2,684.4	12.1	463.9	17.3
4. Unallocated revenue	1,789.7	7.2	1,090.7	4.9	699.0	64.1
Total Revenue	**24,902.9**	**100.0**	**22,123.5**	**100.0**	**2,779.4**	**12.6**

Revenue from Airline Operations

Passenger revenue consists of earnings from scheduled flights and chartered flights with details as follows:

Unit: million baht

	January - December		Variance	
	2015	2014	Amount	%
Net scheduled passenger revenue	19,087.4	17,492.0	1,595.4	9.1
Charter flights and charter services revenue	16.6	20.6	(4.0)	(19.4)
Total passenger revenue	**19,104.0**	**17,512.6**	**1,591.4**	**9.1**
Cargo revenue	325.6	331.5	(5.9)	(1.8)
Total revenue from airline business	**19,429.6**	**17,844.1**	**1,585.5**	**8.9**

The revenue from scheduled flights and charter flights for year 2015 rose by 9.1 percent from last year, mainly due to 7.5 percent increase in number of passengers from adding flight frequencies in routes that have high demand especially from connecting passengers through codeshare partners, whereas seat capacity grew by 4.0 percent. The Company has also started operating Phuket-Hat Yai in October 2015 which passengers' load factor was around 70%.

Revenue from Airport Operations

In year 2014 and year 2015, revenue from airport operations was accounted for 2.3 percent and 2.2 percent of total operating revenue of the Company respectively. Majority of the airport revenue was derived from passengers services charged to outbound passengers at Samui Airport. Revenue from airport operations was 535.3 million baht or increased by 6.2 percent from year 2014 as a result of rising number of outbound passengers at Samui airport. Furthermore, the rate of passenger services charged to international outbound passengers has been increased from 600 baht to 700 baht, started from 1 June 2015.

Total number of seat capacity and passengers departed from Samui Airport with Bangkok Airways was 1.3 million seats and 1.1 million people in year 2015, growing from the same period last year by 4.2 percent and 5.4 percent respectively.

Revenue from airport-related operations from services provided to other airlines comprises of:

Unit: million baht

	January - December			
	2015	2014	Variance	
			Amount	%
Bangkok Air Catering Company Limited (BAC)	1,020.8	943.7	77.1	8.2
Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground)	1,694.0	1,487.1	206.9	13.9
Bangkok Airways Ground Service Company Limited (PGGS)	322.9	253.6	69.3	27.3
Other revenue[1]	110.6	-	110.6	n.a.
Total revenue from airport-related operations	**3,148.3**	**2,684.4**	**463.9**	**17.3**

Remark: [1] Other revenue includes revenue from BAC Gourmet House Company Limited, the subsidiary of BAC which main activity is to provide food services in business district and majortourist attractions in Bangkok.

Bangkok Air Catering Company Limited (BAC)

For year 2015, the operating performance of BAC increased from 943.7 million baht to 1,020.8 million baht or 8.2 percent as a result of 11.2 percent growth in number of meals served to airline customers which aligned with increasing number of passengers at Suvarnabhumi airport.

Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground)

The operating performance of BFS Ground of year 2015 increased from 1,487.1 million baht to 1,694.0 million baht as a consequence of increasing number of flights and new airline customers. During the year, BFS Ground has engaged with 7 new airlines customers.

Bangkok Airways Ground Service Company Limited (PGGS)

For this year, the operating performance of PGGS was higher from the previous year from 253.6 million baht to 322.9 million baht.

PGGS mostly provides its service at Samui Airport. The increasing amount was mainly contributed from new airline customer since November 2014 as well as higher flight-handling service fees starting from the beginning of year 2015.

Unallocated Revenues

The Company has other revenues that are not related to the airline operations, airport operations and airport-related operations with details as follows:

Unit: million baht

	January - December			
	2015	2014	Variance	
			Amount	%
Dividend income	280.4	244.1	36.3	14.9
Gain on foreign exchanges	322.9	71.7	251.2	350.4
Gain on sales of investments in securities and subsidiaries	0.1	3.4	(3.3)	(97.1)
Other revenues[1]	1,186.3	771.5	414.8	53.8
Total unallocated revenues	**1,789.7**	**1,090.7**	**699.0**	**64.1**

Remark: [1] other revenues consist of passenger ticket charges, excess baggage charges, interest income and etc.

Total unallocated revenues of the Company for year 2014 and year 2015 largely increased from 1,090.7 million baht to 1,789.7 million baht consecutively. The differences between two periods were mainly resulting from gain on foreign exchanges, causing by the depreciation of Thai Baht at the second half of the year. An increase in other revenues aligned with growing number of passengers for passenger ticket charges and excess baggage charges.

Share of Profit from Investments in Associates

The Company has share of profit from associated companies, increasing from 437.7 million baht to 504.2 million baht for year 2014 and year 2015 respectively. Primarily, the share of profit was derived from investment in WFS-PG Cargo Company Limited and Samui Property Fund (SPF).

Unit: million baht

	January - December			
	2015	2014	Variance	
			Amount	%
WFS-PG Cargo Company Limited	217.4	232.6	(15.2)	(6.5)
Samui Property Fund	286.8	205.1	81.7	39.8

Expenses

Expenses consist of costs of sales and services, selling expenses and administrative expenses with details as follows:

Unit: million baht

	January - December					
	2015	%	2014	%	Variance	
					Amount	%
Cost of sales and services	18,228.3	84.0	17,563.1	85.5	665.2	3.8
Selling expenses	1,748.1	8.1	1,510.2	7.4	237.9	15.8
Administrative expenses	1,716.3	7.9	1,456.8	7.1	259.5	17.8
Other expenses	8.8	0.0	6.5	0.0	2.3	35.4
Total Expenses	**21,701.5**	**100.0**	**20,536.6**	**100.0**	**1,164.9**	**5.7**

Costs of Sales and Services

Costs of sales and services principally consist of fuel costs, cost of passenger services, personnel expenses, aircraft repair and maintenance costs, and aircraft rentals.

Costs of sales and services were accounted for 85.5 percent and 84.0 percent of total operating expenses for year 2014 and year 2015 respectively. The rising cost of sales and services was mainly due to increasing cost of passenger services, personnel expenses, aircraft repair and maintenance costs, and depreciation and amortization expenses.

Fuel Costs: fuel costs are the largest portion in the Company's costs of sales and services, and are variable based on number of block hours. In year 2015, fuel costs decreased from 5,205.0 million baht in year 2014 to 4,401.3 million baht which was accounted for 29.6 percent and 24.2 percent of total cost of sales and services. The decreasing amount was mostly due to lower average market fuel price.

As at 31 December 2015, the Company has entered into a forward purchase contract (fuel hedging) at the average of 48.7 percent of fuel consumption.

Cost of Passenger Services: cost of passenger services increased were also higher from 2,609.6 million baht to 3,072.4 million baht for year 2015 comparing to the previous year. The significant increase was mostly due to fine paid to Airport of Thailand Public Company Limited (AOT) for passenger services charges in the past years at their airports. AOT claimed that number that the Company had submitted was lower than it should be; however, after the discussion between two parties, the amount was agreed at 100.0 million baht, and was considered as one-off transaction. Apart from this matter, the increasing cost was due to rising number of passengers and number of flights.

Personnel Expenses: the personnel expenses consist of salaries, wages and benefits. For year 2015, the expense was increasing from 2,205.7 million baht to 2,753.4 million baht which was derived from a growing number of employees, especially flight crews which aligned with growing number of aircrafts during the year, annual salary increase and bonus.

Aircraft Repair and Maintenance Costs: aircraft repair and maintenance costs were higher from 1,974.9 million baht to 2,218.7 million baht in year 2015 comparing to prior year. These costs were largely derived from "Maintenance Reserve Fund" which is attached to the aircraft lease agreement. During this year, the Company has leased additional aircrafts, resulting in larger maintenance reserve fund. There was also some additional costs incurred for repairing and maintaining the aging aircraft.

Aircraft Rental Costs: the Company had lower aircraft rental costs which decreased from 1,754.0 million baht in year 2014 to 1,621.7 million baht in year 2015. The proportion to total cost of sales and services was 10.0 percent and 8.9 percent respectively.

Selling Expenses

For year 2014 and 2015, selling expenses were accounted for 7.4 percent and 8.1 percent of total operating expenses. The increasing amount was mainly due to advertising expenses and expenses associated with Global Distribution System (GDS) which are usually variable based on number of passengers.

Administrative Expenses

The administrative expenses of the Company for year 2014 and 2015 were accounted for 7.1 percent and 7.9 percent of total operating expenses. In general, administrative expenses mainly consist of salary, directors' remuneration and information technology services.

Finance Costs

Finance costs consist of lease payments under the sub-lease agreement from the Samui Property Fund (SPF) for Samui Airport which include the rental portion of the sub-lease agreement and the variable portion based on the number of departing/arriving passengers from and to Samui Airport. However, in 2013, the Company had revised its accounting policy regarding the recognition of long term loans from the related parties, in another word, the sub-lease agreement from SPF. The revised policy stipulated that the Company has to provide estimated fixed rental costs and variable service costs that may occur throughout the sub-lease period in order to calculate the effective interest rate. Such calculation resulted in a higher book value of the long term loans.

In addition, finance costs also include interest expenses paid to financial institutions and lessors under finance lease agreement.

Unit: million baht

	January - December			
	2015	2014	Variance	
			Amount	%
Interest expenses paid to the Samui Property Fund	1,351.4	1,294.1	57.3	4.4
Interest and Fee expenses [1]	255.0	344.3	(89.3)	(25.9)
Total	**1,606.4**	**1,638.4**	**(32.0)**	**(2.0)**

Remark: [1] Interest costs and fees due to financial institutions and finance lease under conditional sale agreement

Total interest paid to SPF for the year increased from 1,294.1 million baht to 1,351.4 million baht due to an increase in number of departing passengers from Samui Airport along with growing number of flights flown to the Airport. Furthermore, the rate of passenger services fee for international passengers travelling from Samui was higher than the previous year. The interest paid to financial institutions and lessors under finance lease agreement decreased from 344.3 million baht to 255.0 million baht from loan repayment.

Assets

As of 31 December 2015, the Company and its subsidiaries have total assets amounting to 57,012.6 million baht, increasing by 8,433.7 million baht from:

Unit: million baht

	As at December 31, 2015	As at December 31, 2014	Variance
Current assets			
Cash & cash equivalents and current investments	13,243.5	13,700.2	(456.7)
Trade and other receivables	1,847.1	1,705.5	141.6
Total current assets	**15,846.3**	**16,561.0**	**(714.7)**
Non-current assets			
Other long-term investments	27,003.2	20,936.2	6,067.0
Property, plant and equipment	9,559.0	7,033.5	2,525.5
Total Non-current assets	**41,166.3**	**32,017.9**	**9,148.4**
Total assets	**57,012.6**	**48,578.9**	**8,433.7**

Current assets

Total current assets of the Company as of 31 December 2015 is 15,846.3 million baht, decreased from 31 December 2014 by 714.7 million baht. This was mainly due to:

- Cash & cash equivalents and current investments decreased by 456.7 million baht, mainly from the usage of IPO proceeds for investing activities.

Non-current assets

Total non-current assets of the Company is 41,166.3 million baht, increased from the end of year 2014 by 9,148.4 million baht.

- Investment in associates increased by 780.6 million baht from additional investment in Samui Airport Property Fund (SPF), resulting in an increase in an ownership from 25.0 percent to 30.0 percent.
- Other long-term investments increased by 6,067.0 million baht due to the mark to market of long-term investments in marketable securities.
- Property, Plant and Equipment increased by 2,525.5 million baht from a purchase of ATR72-600 under finance lease in February, September and December 2015, ground equipment and aircraft spare parts.

Liabilities

As at 31 December 2015, the Company and its subsidiaries have liabilities amounting of 25,916.9 million baht. An increase of 2,770.0 million baht from 31 December 2014 was as follows:

Unit: million baht

	As at December 31, 2015	As at December 31, 2014	Variance
Current liabilities			
Current portion long-term loans and liabilities arising from financial lease of aircrafts	500.0	1,119.0	(619.0)
Unearned income	2,328.1	2,151.2	176.9
Other current liabilities	1,405.8	967.0	438.8
Total current liabilities	**6,525.1**	**6,734.5**	**(209.4)**
Non-Current liabilities			
Long-term loans, liabilities arising from financial lease of aircrafts and Finance lease liabilities – net of current portion	2,503.8	1,013.1	1,490.7
Long-term loans from related party – net of current portion	11,354.1	11,285.7	68.4
Deferred tax liabilities	5,040.3	3,711.6	1,328.7
Total non-current liabilities	**19,391.8**	**16,412.4**	**2,979.4**
Total liabilities	**25,916.9**	**23,146.9**	**2,770.0**

Current liabilities

Total current liabilities amounting to 6,525.1 million baht decreased from 31 December 2014 by 209.4 million baht, mainly due to:

- Repayment of current portion of long-term loans and current portion of liability arising from finance lease of aircrafts amounting to 307.7 million baht and 192.3 million baht, decreased from 31 December 2014 by 356.7 million baht and 262.2 million baht respectively in accordance with the conditions stated in loan agreement and finance lease agreement. As of 31 December 2015, Bangkok Airways has an ownership in six ATR72-500s.

- A growth in unearned revenue by 176.9 million baht from 31 December 2014 which was in line with increasing growing passenger revenue.

- An increase in other current liabilities by 438.8 million baht largely due to increasing airport tax that has not been due yet, together with accrued bonus payment which will be paid in January 2016.

Non-current liabilities

Total non-current liabilities of the Company is 19,391.8 million baht, increasing by 2,979.4 million baht, mainly from:

- Finance lease of 3 ATR72-600 in February, September and December 2015 caused liabilities arising from finance lease of aircrafts to increase by 1,680.2 million baht.
- Deferred tax liabilities increased by 1,328.7 million baht due to mark to market of the available for sale investment in securities.

Shareholders' Equity

Unit: million baht

	As at December 31, 2015	As at December 31, 2014	Variance
Paid up capital	2,100.0	2,100.0	-
Premium on ordinary shares and capital reserve for share-based payment transactions	9,319.5	9,319.5	-
Retained earnings	430.9	(362.7)	793.6
Total shareholders' equity	**31,095.7**	**25,432.0**	**5,663.7**

As of 31 December 2015, total shareholders' equity of the Company and its subsidiaries is 31,095.7 million baht, an increase of 5,663.7 million baht. Note that the movement between two periods also included the changes in the market value of the available for sale investment in securities and dividend payments based on the performance of year 2014 and interim dividend of year 2015, amounting to 945.0 million baht.

Statement of Cash Flow

Unit: million baht

	January - December	
	2015	2014
Net cash flow from (used in) operating activities	1,791.7	(220.7)
Net cash flow from investing activities	2,225.3	(11,032.2)
Net cash flow used in financing activities	(1,564.1)	10,875.2
Cash and cash equivalents at end of the period	**4,628.0**	**2,175.1**

Cash flows from operating activities

As of 31 December 2015, the profit of the Company and its subsidiaries before changes in operating activities was 3,667.4 million baht while the amount of cash inflows from operating activities was 3,441.6 million baht. The movement was mainly due to:

1. Outstanding airport tax that has not been due yet
2. Accrued bonus payment which will be paid in January 2016
3. Increasing trade receivables and other assets from pre-delivery payment of aircrafts

Cash flows from investing activities

As of 31 December 2015, cash inflows from investing activities of the Company and its subsidiaries was 2,225.3 million baht which was resulting from liquidity management by moving current investments to bank deposits to ensure capital availability for upcoming projects. There were dividend received from Bangkok Dusit Medical Services (BDMS) and SPF amounted to 877.5 million baht. Furthermore, the Company had capital injection in SPF during the year.

Cash flows from financing activities

As of 31 December 2015, the Company and its subsidiaries have cash outflows used in financing activities at the amount of 1,564.1 million baht, mostly for loan repayment of 631.1 million baht and dividends payment to shareholders of 945.0 million baht.

Glossary

Passenger or Cabin load factor	Number of passenger carried as a proportion to capacity, which is the number of seats available for passengers
Available Seat-Kilometer (ASK)	The number of seats available for passengers multiplied by the number of kilometers that are flown
Revenue Passenger-Kilometer (RPK)	The number of revenue passengers multiplied by the number of kilometers that are flown
Revenue per ASK (RASK)	Income of sale and services of the Company (meaning total revenues from the standalone financial statements net gain on sales of investment, reversal of allowance for diminution in value of investments in subsidiary, dividend income and the compensation from the cancellation of the agreement) divided by ASK.
Cost per ASK (CASK)	The sum of operating cost, sale expenses, service expenses and the remuneration of the executives of the Company (excluding financial cost) (meaning total expenses from the standalone financial statements net loss on sales of investment, and loss on sales of leasehold right) divided by ASK.
CASK – Fuel	The sum of operating cost, sale expenses, service expenses and the remuneration of the executives of the Company (excluding financial cost and fuel cost) (meaning total expenses from the standalone financial statements net loss on sales of investment, loss on sales of leasehold right and fuel expense) divided by ASK.

Fly Boutique.
Feel Unique.

Report & Consolidated Financial Statements

31 December 2015

Independent Auditor's Report

To the Shareholders of Bangkok Airways Public Company Limited

I have audited the accompanying consolidated financial statements of Bangkok Airways Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Airways Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Airways Public Company Limited and its subsidiaries and of Bangkok Airways Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Pimjai Manitkajohnkit
Certified Public Accountant (Thailand) No. 4521
EY Office Limited
Bangkok: 25 February 2016

Bangkok Airways Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	7	4,627,981,380	2,175,125,368	4,094,772,694	1,877,258,697
Current investments	8	8,615,491,000	11,525,141,500	8,600,000,000	11,500,000,000
Trade and other receivables	6, 9	1,847,143,846	1,705,461,007	1,819,068,433	1,531,282,211
Prepaid expenses		193,072,945	218,187,209	178,913,042	205,751,603
Inventories	10	306,327,560	271,885,673	193,669,855	177,680,188
Other current assets		256,272,198	665,216,501	202,963,312	571,253,574
Total current assets		**15,846,288,929**	**16,561,017,258**	**15,089,387,336**	**15,863,226,273**
Non-current assets					
Restricted bank deposits	11	26,816,301	191,779,142	2,081,230	167,675,020
Investments in associates	13	2,450,269,091	1,669,637,551	3,278,980,520	2,405,570,907
Investments in subsidiaries	12	-	-	2,184,233,179	2,184,233,179
Other long-term investments	15	27,003,240,693	20,936,195,768	22,452,240,693	17,410,195,768
Long-term loans to related parties	6	-	-	45,000,000	63,283,576
Investment properties	14	253,991,442	494,742,126	253,991,442	494,742,126
Property, plant and equipment	16	9,559,003,031	7,033,543,213	8,779,415,541	6,234,141,509
Intangible assets	17	711,521,944	779,827,746	211,961,612	234,794,058
Leasehold rights		47,110,861	49,232,635	47,110,861	49,232,635
Deferred tax assets	28.1	28,906,083	25,069,520	-	-
Other non-current assets	6, 18	1,085,409,827	837,844,041	1,062,856,525	779,498,402
Total non-current assets		**41,166,269,273**	**32,017,871,742**	**38,317,871,603**	**30,023,367,180**
Total assets		**57,012,558,202**	**48,578,889,000**	**53,407,258,939**	**45,886,593,453**

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 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 19	2,260,578,287	2,440,123,782	2,133,680,054	2,298,246,385
Current portion of long-term loans	20	242,020,000	626,073,148	233,520,000	457,473,148
Income tax payable		30,605,635	57,113,757	-	-
Current portion of liabilities arising from finance lease of aircrafts	21	192,340,194	454,587,312	192,340,194	454,587,312
Current portion of finance lease liabilities	22	65,675,444	38,327,520	44,976,814	29,120,288
Unearned income		2,328,068,959	2,151,213,117	2,325,477,705	2,147,704,780
Other current liabilities	6	1,405,771,427	967,022,771	1,009,769,372	640,863,912
Total current liabilities		**6,525,059,946**	**6,734,461,407**	**5,939,764,139**	**6,027,995,825**
Non-current liabilities					
Long-term loans - net of current portion	20	229,160,000	441,180,000	206,660,000	440,180,000
Liabilities arising from finance lease of aircrafts - net of current portion	21	2,188,318,860	508,108,259	2,188,318,860	508,108,259
Finance lease liabilities - net of current portion	22	86,367,821	63,788,461	46,077,411	42,956,871
Long-term loans from related party - net of current portion	23	11,354,130,416	11,285,745,088	11,354,130,416	11,285,745,088
Provision for long-term employee benefits	24	421,346,250	328,552,873	346,412,673	270,393,128
Deferred tax liabilities	28.1	5,040,278,491	3,711,603,911	4,326,228,491	3,202,553,911
Other non-current liabilities		72,233,933	73,471,072	-	-
Total non-current liabilities		**19,391,835,771**	**16,412,449,664**	**18,467,827,851**	**15,749,937,257**
Total liabilities		**25,916,895,717**	**23,146,911,071**	**24,407,591,990**	**21,777,933,082**

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 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Shareholders' equity					
Share capital	25				
Registered					
2,100,000,000 ordinary shares of Baht 1 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Issued and fully paid up					
2,100,000,000 ordinary shares of Baht 1 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Premium on ordinary shares		9,319,481,872	9,319,481,872	9,319,481,872	9,319,481,872
Retained earnings					
Appropriated - statutory reserve	26	120,000,000	25,000,000	120,000,000	25,000,000
Unappropriated		310,901,680	(387,672,957)	1,322,799,890	560,782,771
Other components of shareholders' equity		19,106,097,950	14,252,109,414	16,137,385,187	12,103,395,728
Equity attributable to owners of the Company		30,956,481,502	25,308,918,329	28,999,666,949	24,108,660,371
Non-controlling interests of the subsidiaries		139,180,983	123,059,600	-	-
Total shareholders' equity		**31,095,662,485**	**25,431,977,929**	**28,999,666,949**	**24,108,660,371**
Total liabilities and shareholders' equity		**57,012,558,202**	**48,578,889,000**	**53,407,258,939**	**45,886,593,453**

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

Bangkok Airways Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss:					
Revenues					
Passenger	6	19,104,043,011	17,512,599,890	19,104,566,841	17,513,512,285
Sales and service income	6	3,148,283,228	2,684,355,336	-	-
Freight	6	325,584,106	331,543,221	325,584,106	331,543,221
Passenger service charge		535,282,928	504,301,879	535,282,928	504,301,879
Dividend income	6	280,425,674	244,132,188	1,266,485,450	1,157,151,396
Interest income	6	255,792,326	73,591,399	251,521,200	66,148,162
Gain on sales of investments		83,500	3,389,500	-	7,000,000
Gain on exchange rate		322,935,508	71,699,711	311,054,266	55,606,017
Other income	6	930,474,036	697,923,331	1,096,506,728	807,378,703
Total revenues		**24,902,904,317**	**22,123,536,455**	**22,891,001,519**	**20,442,641,663**
Expenses					
Cost of sales and services	6	18,228,330,068	17,563,111,197	16,337,742,010	15,903,849,967
Selling expenses	6	1,748,057,987	1,510,204,562	1,730,971,699	1,492,764,494
Administrative expenses	6	1,716,347,041	1,456,841,619	1,251,627,426	1,044,871,228
Other expenses		8,813,243	6,469,948	658,000	-
Total expenses		**21,701,548,339**	**20,536,627,326**	**19,320,999,135**	**18,441,485,689**
Profit before share of income from investments in associates, finance cost and income tax expenses		3,201,355,978	1,586,909,129	3,570,002,384	2,001,155,974
Share of income from investments in associates	13.3	504,159,540	437,682,331	-	-
Profit before finance cost and income tax expenses		3,705,515,518	2,024,591,460	3,570,002,384	2,001,155,974
Finance cost		(1,606,448,252)	(1,638,395,472)	(1,589,427,715)	(1,602,944,055)
Profit before income tax expenses		2,099,067,266	386,195,988	1,980,574,669	398,211,919
Income tax expenses	28.2	(250,000,195)	(521,857)	(120,269,191)	97,451,316
Profit for the year		**1,849,067,071**	**385,674,131**	**1,860,305,478**	**495,663,235**

Bangkok Airways Public Company Limited and its subsidiaries

Statement of comprehensive income (Continued)

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain on changes in value of available-for-sale investments		6,067,486,825	6,613,946,361	5,042,486,824	5,496,696,361
Less: Income tax effect	28.3	(1,213,497,365)	(1,322,789,272)	(1,008,497,365)	(1,099,339,272)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		4,853,989,460	5,291,157,089	4,033,989,459	4,397,357,089
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial loss on defined benefits plan	24	(63,380,335)	-	(63,380,335)	-
Less: Income tax effect	28.3	5,091,976	-	5,091,976	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(58,288,359)	-	(58,288,359)	-
Other comprehensive income for the year		**4,795,701,101**	**5,291,157,089**	**3,975,701,100**	**4,397,357,089**
Total comprehensive income for the year		**6,644,768,172**	**5,676,831,220**	**5,836,006,578**	**4,893,020,324**

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

Bangkok Airways Public Company Limited and its subsidiaries

Statement of comprehensive income (Continued)

For the year ended 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Profit attributable to:					
Equity holders of the Company		1,796,862,996	351,105,156	1,860,305,478	495,663,235
Non-controlling interests of the subsidiaries		52,204,075	34,568,975		
		1,849,067,071	385,674,131		
Total comprehensive income attributable to:					
Equity holders of the Company		6,592,563,606	5,642,261,712	5,836,006,578	4,893,020,324
Non-controlling interests of the subsidiaries		52,204,566	34,569,508		
		6,644,768,172	5,676,831,220		
Earnings per share	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.86	0.21	0.89	0.30
Weighted average number of ordinary shares of Baht 1 each		2,100,000,000	1,672,602,740	2,100,000,000	1,672,602,740

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

Bangkok Airways Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements

	Note	Equity attributable to owners of the Company									Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
							Other components of equity					
							Other comprehensive income					
		Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		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		
					Appropriated	Unappropriated						
Balance as at 31 December 2013		1,580,000,000	270,000,000	207,300,000	210,000,000	(4,148,031,875)	9,115,837,438	(154,884,580)	8,960,952,858	7,080,220,983	111,490,745	7,191,711,728
Profit for the year		-	-	-	-	351,105,156	-	-	-	351,105,156	34,568,975	385,674,131
Other comprehensive income for the year		-	-	-	-	-	5,291,156,556	-	5,291,156,556	5,291,156,556	533	5,291,157,089
Total comprehensive income for the year		-	-	-	-	351,105,156	5,291,156,556	-	5,291,156,556	5,642,261,712	34,569,508	5,676,831,220
Transfer capital reserve for share-based payment transactions												
to premium on ordinary shares		-	207,300,000	(207,300,000)	-	-	-	-	-	-	-	-
Increase share capital	25	520,000,000	12,066,435,634	-	-	-	-	-	-	12,586,435,634	-	12,586,435,634
Transfer reserve and premium offset with retained loss	26	-	(3,224,253,762)	-	(210,000,000)	3,434,253,762	-	-	-	-	-	-
Transferred to statutory reserve	26	-	-	-	25,000,000	(25,000,000)	-	-	-	-	-	-
Dividend paid to non-controlling interest of the subsidiaries		-	-	-	-	-	-	-	-	-	(23,000,653)	(23,000,653)
Balance as at 31 December 2014		2,100,000,000	9,319,481,872	-	25,000,000	(387,672,957)	14,406,993,994	(154,884,580)	14,252,109,414	25,308,918,329	123,059,600	25,431,977,929
Balance as at 31 December 2014		2,100,000,000	9,319,481,872	-	25,000,000	(387,672,957)	14,406,993,994	(154,884,580)	14,252,109,414	25,308,918,329	123,059,600	25,431,977,929
Profit for the year		-	-	-	-	1,796,862,996	-	-	-	1,796,862,996	52,204,075	1,849,067,071
Other comprehensive income for the year		-	-	-	-	(58,288,359)	4,853,988,969	-	4,853,988,969	4,795,700,610	491	4,795,701,101
Total comprehensive income for the year		-	-	-	-	1,738,574,637	4,853,988,969	-	4,853,988,969	6,592,563,606	52,204,566	6,644,768,172
Deficit from change in shareholding in subsidiaries		-	-	-	-	-	-	(433)	(433)	(433)	-	(433)
Decrease in non-controlling interests of subsidiaires		-		-			-	-	-	-	(35,287)	(35,287)
Share capital - non-controlling interests of subsidiaries		-	-	-	-	-	-	-	-	-	15	15
Transferred to statutory reserve	26	-	-	-	95,000,000	(95,000,000)	-	-	-	-	-	-
Dividend paid	33	-	-	-	-	(945,000,000)	-	-	-	(945,000,000)	-	(945,000,000)
Dividend paid to non-controlling interest of the subsidiaries		-	-	-	-	-	-	-	-	-	(36,047,911)	(36,047,911)
Balance as at 31 December 2015		2,100,000,000	9,319,481,872	-	120,000,000	310,901,680	19,260,982,963	(154,885,013)	19,106,097,950	30,956,481,502	139,180,983	31,095,662,485

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

Bangkok Airways Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (Continued)

For the year ended 31 December 2015

(Unit: Baht)

		Separate financial statements							
							Other components of equity		
							Other comprehensive income		
	Note	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
					Appropriated	Unappropriated			
Balance as at 31 December 2013		1,580,000,000	270,000,000	207,300,000	210,000,000	(3,344,134,226)	7,706,038,639	7,706,038,639	6,629,204,413
Profit for the year		-	-	-	-	495,663,235	-	-	495,663,235
Other comprehensive income for the year		-	-	-	-	-	4,397,357,089	4,397,357,089	4,397,357,089
Total comprehensive income for the year		-	-	-	-	495,663,235	4,397,357,089	4,397,357,089	4,893,020,324
Transfer capital reserve for share-based payment transactions to premium on ordinary shares		-	207,300,000	(207,300,000)	-	-	-	-	-
Increase share capital	25	520,000,000	12,066,435,634	-	-	-	-	-	12,586,435,634
Transfer reserve and premium offset with retained loss	26	-	(3,224,253,762)	-	(210,000,000)	3,434,253,762	-	-	-
Transferred to statutory reserve	26	-	-	-	25,000,000	(25,000,000)	-	-	-
Balance as at 31 December 2014		2,100,000,000	9,319,481,872	-	25,000,000	560,782,771	12,103,395,728	12,103,395,728	24,108,660,371
Balance as at 31 December 2014		2,100,000,000	9,319,481,872	-	25,000,000	560,782,771	12,103,395,728	12,103,395,728	24,108,660,371
Profit for the year		-	-	-	-	1,860,305,478	-	-	1,860,305,478
Other comprehensive income for the year		-	-	-	-	(58,288,359)	4,033,989,459	4,033,989,459	3,975,701,100
Total comprehensive income for the year		-	-	-	-	1,802,017,119	4,033,989,459	4,033,989,459	5,836,006,578
Transferred to statutory reserve	26	-	-	-	95,000,000	(95,000,000)	-	-	-
Dividend paid	33	-	-	-	-	(945,000,000)	-	-	(945,000,000)
Balance as at 31 December 2015		2,100,000,000	9,319,481,872	-	120,000,000	1,322,799,890	16,137,385,187	16,137,385,187	28,999,666,949

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

Bangkok Airways Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before tax	2,099,067,266	386,195,988	1,980,574,669	398,211,919
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	834,030,351	644,734,510	606,462,079	450,352,026
Allowance for doubtful accounts (reversal)	7,540,733	(25,507,099)	6,623,304	(26,548,534)
Reduction of inventory to net realisable value (reversal)	(1,945,517)	1,189,227	(2,215,517)	1,189,227
Gain on sales of property, plant and equipment	(9,089,082)	(3,948,704)	(9,015,235)	(3,032,811)
Gain on sales of leasehold right	-	(3,609,634)	-	(3,609,634)
Gain on sales of short-term investments	(83,500)	(3,389,500)	-	(7,000,000)
Loss from revaluation of short-term investments	5,412,200	3,253,500	-	-
Written-off fixed assets	960,303	11,812,119	960,303	11,812,119
Share of profit from investments in associates	(504,159,540)	(437,682,331)	-	-
Provision for long-term employee benefits	70,583,157	51,048,649	52,600,197	40,351,571
Loss from liquidation of associate	482,725	-	658,000	-
Unrealised loss on exchange	94,412,177	31,740,808	93,642,172	31,641,117
Dividend income	(280,425,674)	(244,132,188)	(1,266,485,450)	(1,157,151,396)
Interest income	(255,792,326)	(73,591,399)	(251,521,200)	(66,148,162)
Finance cost	1,606,448,252	1,634,170,716	1,589,427,715	1,602,944,055
Profit from operating activities before				
changes in operating assets and liabilities	3,667,441,525	1,972,284,662	2,801,711,037	1,273,011,497
Operating assets (increase) decrease				
Trade and other receivables	(150,523,529)	198,678,416	(125,268,572)	180,041,015
Inventories	(32,496,370)	(44,657,027)	(13,774,150)	(26,606,539)
Other current assets	399,716,754	(89,553,026)	372,727,245	(67,278,604)
Other assets	(225,838,976)	(71,961,052)	(226,238,820)	(76,745,830)
Operating liabilities increase (decrease)				
Trade and other payables	(184,538,730)	124,848,172	(182,116,514)	112,118,568
Other current liabilities	594,850,207	8,255,240	540,045,279	(394,343,512)
Liabilities under finance lease payable	(584,576,066)	(640,385,031)	(567,947,939)	(636,036,027)
Long-term employee benefits paid	(41,170,115)	(8,980,934)	(39,960,987)	(6,652,062)
Other non-current liabilities	(1,237,139)	9,168,540	-	(5,000,000)
Cash flows from operating activities	3,441,627,561	1,457,697,960	2,559,176,579	352,508,506
Cash paid for interest expenses	(1,524,493,227)	(1,567,174,419)	(1,508,546,074)	(1,530,318,586)
Cash paid for income tax expenses	(125,470,295)	(111,192,314)	(12,726,025)	(34,858,335)
Net cash flows from (used in) operating activities	**1,791,664,039**	**(220,668,773)**	**1,037,904,480**	**(1,212,668,415)**

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

Bangkok Airways Public Company Limited and its subsidiaries

Cash flow statement (Continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
(Increase) decrease in restricted bank deposits	164,962,841	(2,683,819)	165,593,790	457,759
(Increase) decrease in current investments	2,900,000,000	(11,030,000,000)	2,900,000,000	(11,030,000,000)
Acquisition of long-term investments	-	(326,900)	-	(326,900)
Acquisition of property, plant and equipment	(1,104,809,454)	(715,905,543)	(976,623,850)	(453,309,181)
Acquisition of intangible assets	(62,418,189)	(129,455,989)	(60,762,665)	(126,394,101)
Interest income	291,949,364	21,428,289	287,676,928	12,943,936
Decrease in loans to related parties	-	54,154,904	18,283,576	34,300,000
Dividend income from investment in subsidiaries	-	-	266,839,144	34,534,479
Dividend income from investment in associates	597,112,888	495,324,907	597,112,888	495,324,906
Dividend income from long-term investments	280,425,674	244,132,188	232,080,674	201,842,737
Proceeds from sales of property, plant and equipment	11,000,000	4,145,314	9,125,622	3,044,938
Proceeds from sales of leasehold rights	-	10,906,600	-	10,906,600
Cash received from sales of short-term investments	4,321,800	16,034,000	-	418,250,000
Cash received from liquidation of associate	2,342,000	-	2,342,000	-
Cash received from sales of long-term investments	441,900	-	441,900	-
Cash paid for change in the proportion of investments in subsidiary	(35,720)	-	-	-
Cash paid for investments in associate	(860,027,342)	-	(860,027,342)	-
Net cash flows from (used in) investing activities	**2,225,265,762**	**(11,032,246,049)**	**2,582,082,665**	**(10,398,424,827)**
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans				
from financial institutions	-	(671,364,998)	-	(650,000,000)
Cash received from short-term loans	3,540,476	-	-	30,685,000
Repayment of short-term loans	(3,540,476)	-	-	(30,685,000)
Cash received from long-term loans	35,000,000	-	-	-
Repayment of long-term loans	(631,073,148)	(1,039,889,574)	(457,473,148)	(682,589,574)
Proceeds from increase in share capital	-	12,586,435,634	-	12,586,435,634
Dividend paid	(945,000,000)	-	(945,000,000)	-
Dividend paid to non-controlling interest of the subsidiaries	(23,000,656)	(21)	-	-
Cash received from non-controlling interest of the subsidiary	15	-	-	-
Net cash flows from (used in) financing activities	**(1,564,073,789)**	**10,875,181,041**	**(1,402,473,148)**	**11,253,846,060**
Net increase (decrease) in cash and cash equivalents	**2,452,856,012**	**(377,733,781)**	**2,217,513,997**	**(357,247,182)**
Cash and cash equivalents at beginning of the year	2,175,125,368	2,552,859,149	1,877,258,697	2,234,505,879
Cash and cash equivalents at end of the year (Note 7)	**4,627,981,380**	**2,175,125,368**	**4,094,772,694**	**1,877,258,697**

Bangkok Airways Public Company Limited and its subsidiaries

Cash flow statement (Continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Supplemental cash flows information:				
Non-cash items				
Increase in accrued dividend income	-	198,449,906	170,452,745	425,449,273
Increase in dividend payables	13,047,255	23,000,632	-	-
Increase in payable from acquisition of investments in associate	16,382,271	-	16,382,271	-
Increase (decrease) in payable from acquisition of assets	(19,073,934)	(6,797,599)	(5,735,695)	4,040,708
Purchase of assets under finance lease	1,903,029,423	755,921,684	1,855,451,078	729,935,646
Gain on changes in value of available-for-sale investments - net of income taxes	4,853,989,460	5,291,157,089	4,033,989,459	4,397,357,089
Actuarial loss for post employment benefits plan - net of income taxes	(58,288,359)	-	(58,288,359)	-

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

Bangkok Airways Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

1. 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 located at 99 Mu 14, Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2015 Percent	2014 Percent
Held by the Company				
Bangkok Airways Holding Co., Ltd.	Holding	Thailand	99.99	99.99
Bangkok Airways Ground Services Co., Ltd.	Ground Services	Thailand	99.99	99.99
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground Services	Thailand	90.00	90.00
Bangkok Air Catering Co., Ltd.	Catering	Thailand	90.00	90.00
Held by subsidiary companies				
Gourmet Primo Co., Ltd. (99.99 percent held by Bangkok Airways Holding Co., Ltd.)	Produce and process food for distribution	Thailand	99.98	-
SA Services Co., Ltd. (99.99 percent held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)	Ground Services	Thailand	89.99	89.99
BFS Cargo DMK Co., Ltd. (51.00 percent held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)	Cargo	Thailand	45.90	45.90
BAC Gourmet House Co., Ltd. (99.99 percent held by Bangkok Air Catering Co., Ltd.)	Restaurant	Thailand	89.99	89.99
Bangkok Air Catering Phuket Co., Ltd. (99.99 percent held by Bangkok Air Catering Co., Ltd. (2014: 70.00 percent))	Catering	Thailand	89.99	63.00
Bangkok Air Catering Samui Co., Ltd. (99.99 percent held by Bangkok Air Catering Co., Ltd.)	Catering	Thailand	89.99	-

b) The Company is deemed to have control over an investee or subsidiaries 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.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries, joint ventures andassociates under the cost method.

3. New financial reporting standards

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

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

The Company and its subsidiaries have 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 and its subsidiaries' 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 recognize 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.

The Company and its subsidiaries does not restate the prior period's financial statements since, after consideration, the Company's and subsidiaries' management believe that the revised standard does not have significant impact on the Company's and its subsidiaries' financial statements.

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 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate 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 financial reporting standard therefore has no any significant 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 that will become effective in the future

During the current year, 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 and its subsidiaries management believe that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition and expense

Passenger revenues

Revenue from ticket sales is recognised as revenue in profit or loss when transportation is provided.

Customer loyalty programmes

The Company operates a loyalty programme which allows customers to accumulate points when customers purchase tickets from the Company. The points can be redeemed for air tickets, hotel accommodations or gifts under conditions set by the Company.

The value of air tickets sales and redemption costs are allocated to the points issued, at the fair value of the points, and gradually recognised as revenue when the points are redeemed and the Company fulfills its contractual obligation to supply rewards.

Sales of goods

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

Service rendered

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

Aircraft rental

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

Interest income

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

Dividends

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

Finance cost

Finance cost is recognised on an accrual basis and calculated using the effective interest rate.

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Inventories

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

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

4.5 Investments

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

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

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

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

4.6 Investment properties

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

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

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

4.7 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

4.8 Intangible assets

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

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

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

	Useful lives
Concessions	20 years
Computer software	5 years

4.9 Related party transactions

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

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

4.10 Long-term leases

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

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.14 Provisions

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

4.15 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement 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

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of equity investments

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

Property plant and equipment/Depreciation

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

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

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Litigation

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

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	Pricing Policy
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Passenger income	-	-	1	1	Market price
Permission fee income	-	-	176	152	Contract price
Concession lounge service income	-	-	18	17	Contract price
Rental income	-	-	3	3	Contract price
Dividend income	-	-	437	262	As declared
Catering service expenses	-	-	424	429	Contract price
Ground service expenses	-	-	460	451	Contract price
Catering expenses	-	-	2	-	Actual charge
Shipping service expenses	-	-	1	-	Contract price

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	Pricing Policy
Transactions with associated companies					
Interest income	-	1	-	1	MLR
Ground service income	3	3	-	-	Contract price
Collection fee income	1	1	-	-	Contract price
Catering service income	1	-	-	-	
Dividend income	-	-	597	694	As declared
Interest expenses	1,351	1,294	1,351	1,294	Contract price
Shipping service expenses	21	16	21	16	Actual charge
Rental fee	1	-	-	-	Contract price
Transactions with related companies					
Passenger income	46	58	46	58	Market price
Permission fee income	2	3	2	3	Contract price
Catering service income	24	5	-	-	Contract price
Ground service income	3	3	-	-	Contract price
Rental income	12	12	12	12	Contract price
Charter flight income	31	13	31	13	Contract price
Freight income	1	1	1	1	Contract price
Consulting income	3	2	3	2	Contract price
Advertising income	1	1	1	1	Contract price
Sponsor income	1	2	1	2	Contract price
Utilities income	2	1	2	1	Actual charge
Compensation income	3	-	3	-	Agree upon
Gain on sales fixed assets	7	-	7	-	Contract price
Dividend income	279	243	232	202	As declared
Catering service income	4	4	4	4	Contract price
Ground service expenses	573	341	532	307	Contract price
Management expenses	171	142	171	142	Contract price
Security expenses	73	67	72	67	Contract price
Rental expenses	3	6	-	1	Contract price
Employee expenses	4	19	4	17	Actual charge
Medical expenses	5	3	3	3	Market price
Advertising expense	1	1	1	1	Contract price
Utilities expense	1	1	-	-	Actual charge
Aeronautical radio expenses	503	573	484	559	Market price
Fight cancelled and delayed compensation	2	-	2	-	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)
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
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
Bangkok Premier Life Insurance Broker Co., Ltd.	Common shareholders and/or directors
Bangkok United Mechanical Co., Ltd.	Common shareholders and/or directors
Siam Medical Co., Ltd.	Common shareholders and/or directors
Kiattana Transport Plc.	Common shareholders and/or directors

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

List of related companies	Relationship
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
Royal Oriental Energy 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
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

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade and other receivables - related parties (Note 9)				
Subsidiaries	-	-	415,711	274,502
Associated companies	199,312	199,247	198,450	198,460
Related companies (related by shareholders and/or directors)	14,314	28,169	10,095	25,778
Total trade and other receivables - related parties	213,626	227,416	624,256	498,740
Deposits - related parties (present as other non-current assets)				
Associated companies	47,500	47,500	47,500	47,500
Related companies (related by shareholders and/or directors)	3,200	3,062	962	962
Total deposits - related parties	50,700	50,562	48,462	48,462
Trade and other payables - related parties (Note 15)				
Subsidiaries	-	-	178,932	168,923
Associated companies	124,496	111,858	115,653	103,306
Related companies (related by shareholders and/or directors)	184,400	122,237	179,761	118,238
Total and other payables - related parties	308,896	234,095	474,346	390,467
Other current liabilities - related parties (present as other non-current liabilities)				
Related companies (related by shareholders and/or directors)	26,000	-	-	-
Total other current liabilities - related parties	26,000	-	-	-

Loans to related parties

As at 31 December 2015 and 2014, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
Loans to and accrued interest receivables	Balance as at 31 December 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2015
Subsidiaries	63,284	-	(18,284)	45,000
Total	63,284	-	(18,284)	45,000

Loans from related parties

As at 31 December 2015 and 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			
Loans to and accrued interest receivables	Balance as at 31 December 2014	Increase during the period	Decrease during the period	Balance as at 31 December 2015
Directors	-	3,541	(3,541)	-
Total	-	3,541	(3,541)	-

Directors and management's benefits

During the years ended 31 December 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	
	2015	2014	2015	2014
Short-term employee benefits	248	194	196	158
Post-employment benefits	7	5	5	3
Total	255	199	201	161

Guarantee obligations with related parties

The subsidiaries have outstanding guarantee obligations with its related parties, as described in Note 34.4 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	125,052	168,188	122,387	165,814
Bank deposits	4,447,890	2,006,937	3,972,386	1,711,445
Bills of exchange	55,039	-	-	-
Total	**4,627,981**	**2,175,125**	**4,094,773**	**1,877,259**

As at 31 December 2015, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.05 and 2.75 percent per annum (2014: between 0.10 and 2.75 percent per annum) and Baht 55 million of cash is cash on hand of aboard stations (2014: Baht 118 million).

8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	**2014**	**2015**	**2014**
Fixed deposits over three months but not over one year	8,600,000	11,500,000	8,600,000	11,500,000
Trading securities	15,491	25,142	-	-
Total	**8,615,491**	**11,525,142**	**8,600,000**	**11,500,000**

As at 31 December 2015, fixed deposits carried interests between 0.9 and 1.9 percent per annum (2014: between 2.2 and 3.0 percent per annum).

During the current year, the subsidiary sold trading securities with book values totaling Baht 4 million (2014: Baht 13 million) and recognised gains on the sales amounting to Baht 0.1 million in profit or loss (2014: Baht 4 million).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - related parties				
Aged on the basis of due dates				
Not yet due	9,848	22,662	23,834	52,806
Past due				
Up to 3 months	2,552	4,375	1,871	18,724
3 - 6 months	1,027	430	921	430
6 - 12 months	1,219	143	1,198	131
Over 12 months	530	229	530	186
Total trade receivables - related parties, net	15,176	27,839	28,354	72,277
Trade receivables - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,349,302	1,323,710	982,772	986,487
Past due				
Up to 3 months	259,646	128,652	189,363	30,641
3 - 6 months	7,219	25,266	6,736	18,244
6 - 12 months	14,526	6,773	13,318	2,507
Over 12 months	80,856	80,612	79,453	80,590
Total	1,711,549	1,565,013	1,271,642	1,118,469
Less: Allowance for doubtful debts	(92,377)	(90,778)	(91,003)	(89,736)
Total trade receivables - unrelated parties, net	1,619,172	1,474,235	1,180,639	1,028,733
Total trade receivable - net	1,634,348	1,502,074	1,208,993	1,101,010
Other receivables				
Others receivable - related parties	198,450	199,577	595,902	426,463
Total other receivables - related parties - net	198,450	199,577	595,902	426,463
Others receivable - unrelated parties	23,416	12,880	23,243	12,879
Less: Allowance for doubtful debts	(9,070)	(9,070)	(9,070)	(9,070)
Total other receivables - unrelated parties - net	14,346	3,810	14,173	3,809
Total other receivables	212,796	203,387	610,075	430,272
Total trade and other receivables - net	**1,847,144**	**1,705,461**	**1,819,068**	**1,531,282**

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Spareparts	200,388	174,755	(39,405)	(41,620)	160,983	133,135
Foods and catering	52,822	53,473	-	-	52,822	53,473
Air Tickets	523	445	(409)	(409)	114	36
Others	92,809	85,372	(400)	(130)	92,409	85,242
Total	**346,542**	**314,045**	**(40,214)**	**(42,159)**	**306,328**	**271,886**

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Spareparts	200,388	174,755	(39,405)	(41,620)	160,983	133,135
Foods and catering	18,949	24,627	-	-	18,949	24,627
Air Tickets	523	445	(409)	(409)	114	36
Others	13,624	19,882	-	-	13,624	19,882
Total	**233,484**	**219,709**	**(39,814)**	**(42,029)**	**193,670**	**177,680**

11. Restricted bank deposits

As at 31 December 2014, current account amounting to Baht 166 million represent temporary suspended. During 2015, the bank changed the status of the bank account from suspended to normal status, as discussed in Note 35.3 to financial statements.

12. Investments in subsidiaries

12.1 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		Dividend received during the year	
	2015	2014	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	39,840	34,535
Bangkok Airways Ground Services Co., Ltd.	250	250	99.99	99.99	250	250	72,998	19,999
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	670,000	670,000	90.00	90.00	603,515	603,515	90,454	-
Bangkok Air Catering Co., Ltd.	500,000	500,000	90.00	90.00	579,469	579,469	234,000	207,000
Investment in subsidiary companies					2,184,233	2,184,233	437,292	261,534

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

12.2 Significant changes in investments in subsidiaries

Bangkok Airways Holding Company Limited

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 Primo Company Limited, in order to produce and process food for distribution. Bangkok Airways Holding Company Limited holds 99.99 percent of Gourmet Primo Company Limited, which was incorporated and registered with the Ministry of Commerce on 29 January 2015 with registered share capital of Baht 50 million.

Bangkok Air Catering Co., Ltd.

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, which increased its shareholding from 69.99% to 99.99%.

On 19 October 2015, the Board of Directors Meeting of Bangkok Air Catering Co., Ltd. approved investment in and the establishment of a subsidiary, Bangkok Air Catering Samui Co., Ltd., in order to provide catering services. Bangkok Air Catering Co., Ltd. holds 99.99 percent of Bangkok Air Catering Samui Co., Ltd., which was incorporated and registered with the Ministry of Commerce on 11 November 2015 with a registered share capital of Baht 20 million.

13. Investments in associates

13.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements: Shareholding percentage 2015 (%)	Shareholding percentage 2014 (%)	Cost 2015	Cost 2014	Carrying amounts based on equity method 2015	Carrying amounts based on equity method 2014
WFS - PG Cargo Co., Ltd.	Cargo	Thailand	49.00	49.00	147,000	147,000	164,855	219,422
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	29.99	25.00	3,131,981	2,255,571	2,285,414	1,447,405
S.E.A. Aviation Co., Ltd.	Transportation and cargo	Thailand	-	10.00	-	3,000	-	2,810
Total					3,278,981	2,405,571	2,450,269	1,669,637

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements: Shareholding percentage 2015 (%)	Shareholding percentage 2014 (%)	Cost 2015	Cost 2014
WFS - PG Cargo Company Limited	Cargo	Thailand	49.00	49.00	147,000	147,000
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	29.99	25.00	3,131,981	2,255,571
S.E.A. Aviation Co., Ltd.	Transportation and cargo	Thailand	-	10.00	-	3,000
Total					3,278,981	2,405,571

13.2 Significant changes in investments in associates

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.

13.3 Share of profit/loss and dividend received

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
Company's name	Share of profit (loss) from investments in associates during the year		Dividend received during the year	
	2015	2014	2015	2014
WFS - PG Cargo Co., Ltd.	217,382	232,616	271,950	396,900
Samui Airport Property Fund (Leasehold)	286,763	205,078	325,163	296,875
S.E.A. Aviation Co., Ltd.	15	(12)	-	-
Total	**504,160**	**437,682**	**597,113**	**693,775**

13.4 Fair value investments in listed associates

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

(Unit: Million Baht)

Company's name	Fair value as at 31 December	
	2015	2014
Samui Airport Property Fund (Leasehold)	5,670	4,109
Total	**5,670**	**4,109**

13.5 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	WFS - PG Cargo Co., Ltd.		Samui Airport Property Fund (Leasehold)		S.E.A. Aviation Co., Ltd.	
	2015	2014	2015	2014	2015	2014
Current assets	184	186	115	103	-	6
Non-current assets	858	968	10,318	10,439	-	23
Current liabilities	(639)	(646)	(14)	(13)	-	-
Non-current liabilities	(27)	(21)	(48)	(48)	-	-
Net assets	**376**	**487**	**10,371**	**10,481**	**-**	**29**
Shareholding percentage (%)	49.00%	49.00%	29.99%	25.00%	-	10.00%
Share of net assets	**184**	**239**	**3,110**	**2,620**	**-**	**3**
Elimination entries and other adjustments	(19)	(20)	(825)	(1,173)	-	-
Carrying amounts of associates based on equity method	**165**	**219**	**2,285**	**1,447**	**-**	**3**

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December					
	WFS - PG Cargo Co., Ltd.		Samui Airport Property Fund (Leasehold)		S.E.A. Aviation Co., Ltd.	
	2015	2014	2015	2014	2015	2014
Revenue	1,569	1,558	1,288	1,225	-	-
Profit	444	475	1,101	1,178	-	-
Total comprehensive income	**444**	**475**	**1,101**	**1,178**	**-**	**-**

14. Investment properties

The net book value of investment properties is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	Land awaiting for sales	Office and shops for rent	Total
31 December 2015			
Cost	235,226	321,016	556,242
Reclassified assets	(224,700)	-	(224,700)
Less: Accumulated depreciation	-	(77,551)	(77,551)
Net book value	10,526	243,465	253,991
31 December 2014			
Cost	235,226	321,016	556,242
Less: Accumulated depreciation	-	(61,500)	(61,500)
Net book value	235,226	259,516	494,742

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

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements	
	2015	2014
Net book value at beginning of year	494,742	312,317
Increase during the year	-	187,817
Reclassified assets	(224,700)	-
Depreciation charged	(16,051)	(5,392)
Net book value at end of year	253,991	494,742

The fair value of the investment properties as at 31 December 2015 and 2014 stated below:

(Unit: Thousand Baht)

	2015	2014
Land awaiting for sales	84,955	312,805
Office and shops for rent	150,494	114,322

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

The Company have pledged investment properties amounting to approximately Baht 11 million (2014: Baht 157 million) as collateral against credit facilities received from financial institutions.

15. Others long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	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	24,076,232	18,008,745	20,171,732	15,129,245
Available-for-sales securities - net	26,946,197	20,878,710	22,395,197	17,352,710
Debt securities held to maturity	50,000	50,000	50,000	50,000
Other investments	7,044	7,486	7,044	7,486
Total	**27,003,241**	**20,936,196**	**22,452,241**	**17,410,196**

Certain available-for-sales securities of the Company and its subsidiaries with market value as at 31 December 2015 amounting to Baht 14,173 million (2014: Baht 10,981 million) have been used as collateral for short-term loans from financial institutions and long-term loans.

16. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements								
	Land	Building and improvements	Airport and improvements	Aircrafts	Aircrafts parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total
Cost									
31 December 2013	1,804,133	1,598,412	824,497	4,364,932	1,595,763	758,036	535,449	194,790	11,676,012
Purchase	-	12,012	-	674,488	333,841	95,578	68,714	279,117	1,463,750
Disposal	-	-	-	-	(704)	(11,791)	(15,493)	(11,812)	(39,800)
Transfer in (out)	-	(77,777)	97,512	-	12,791	68,556	1,389	(308,419)	(205,948)
31 December 2014	1,804,133	1,532,647	922,009	5,039,420	1,941,691	910,379	590,059	153,676	12,894,014
Purchase	-	13,494	-	2,220,681	514,524	66,370	23,586	151,506	2,990,161
Disposal	-	(83)	-	-	(8,712)	(9,963)	(29,261)	(572)	(48,591)
Reclassified assets	224,700	-	-	-	-	58,364	-	-	283,064
Transfer in (out)		73,937	1,371		18,203	39,424	4,300	(137,235)	
31 December 2015	2,028,833	1,619,995	923,380	7,260,101	2,465,706	1,064,574	588,684	167,375	16,118,648
Accumulated depreciation									
31 December 2013	-	641,485	524,232	2,256,886	934,354	535,936	444,272	-	5,337,165
Depreciation for the year	-	89,451	35,202	171,620	154,090	83,148	35,600	-	569,111
Depreciation - disposal	-	-	-	-	(528)	(11,769)	(15,493)	-	(27,790)
Transfer in (out)	-	(25,370)	-	-	-	7,355	-	-	(18,015)
31 December 2014	-	705,566	559,434	2,428,506	1,087,916	614,670	464,379	-	5,860,471
Depreciation for the year	-	96,276	38,243	244,836	206,520	113,178	41,566	-	740,619
Depreciation - disposal	-	(65)	-	-	(7,315)	(9,410)	(28,931)	-	(45,721)
Reclassified assets						4,276			4,276
31 December 2015	-	801,777	597,677	2,673,342	1,287,121	722,714	477,014	-	6,559,645
Net book value									
31 December 2014	1,804,133	827,081	362,575	2,610,914	853,775	295,709	125,680	153,676	7,033,543
31 December 2015	2,028,833	818,218	325,703	4,586,759	1,178,585	341,860	111,670	167,375	9,559,003

Depreciation for the years ended 31 December

2014 (Baht 496 million included in cost at sales and services, and the balance in selling and administrative expenses)	569,111
2015 (Baht 646 million included in cost at sales and services, and the balance in selling and administrative expenses)	740,619

(Unit: Thousand Baht)

	Separate financial statements								
	Land	Building and improvements	Airport and improvements	Aircrafts	Aircrafts parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total
Cost									
31 December 2013	1,804,133	1,475,803	824,497	4,364,932	784,242	436,376	301,801	173,842	10,165,626
Purchase	-	12	-	674,488	139,841	66,177	50,457	254,737	1,185,712
Disposal	-	-	-	-	(55)	(6,196)	(15,493)	(11,812)	(33,556)
Transfer in (out)	-	(84,279)	97,512	-	-	68,556	1,389	(288,832)	(205,654)
31 December 2014	1,804,133	1,391,536	922,009	5,039,420	924,028	564,913	338,154	127,935	11,112,128
Purchase	-	110	-	2,220,681	423,828	30,923	5,610	146,584	2,827,736
Disposal	-	(12)	-	-	-	(7,342)	(25,312)	(572)	(33,238)
Reclassified assets	224,700	-	-	-	-	58,364	-	-	283,064
Transfer in (out)	-	69,927	1,371	-	-	34,677	4,300	(110,275)	-
31 December 2015	2,028,833	1,461,561	923,380	7,260,101	1,347,856	681,535	322,752	163,672	14,189,690
Accumulated depreciation									
31 December 2013	-	595,876	524,232	2,256,886	554,655	316,651	247,885	-	4,496,185
Depreciation for the year	-	73,258	35,202	171,620	70,065	50,885	20,518	-	421,548
Depreciation - disposal	-	-	-	-	(55)	(6,184)	(15,493)	-	(21,732)
Transfer in (out)	-	(25,369)	-	-	-	7,355	-	-	(18,014)
31 December 2014	-	643,765	559,434	2,428,506	624,665	368,707	252,910	-	4,877,987
Depreciation for the year	-	76,812	38,243	244,836	100,654	73,971	25,663	-	560,179
Depreciation - disposal	-	(2)	-	-	-	(6,854)	(25,312)	-	(32,168)
Reclassified assets	-	-	-	-	-	4,276	-	-	4,276
31 December 2015	-	720,575	597,677	2,673,342	725,319	440,100	253,261	-	5,410,274
Net book value									
31 December 2014	1,804,133	747,771	362,575	2,610,914	299,363	196,206	85,244	127,935	6,234,141
31 December 2015	2,028,833	740,986	325,703	4,586,759	622,537	241,435	69,491	163,672	8,779,416

Depreciation for the years ended 31 December	
2014 (Baht 358 million included in cost at sales and services, and the balance in selling and administrative expenses)	421,548
2015 (Baht 485 million included in cost at sales and services, and the balance in selling and administrative expenses)	560,179

As at 31 December 2015, the Company and its subsidiaries have aircrafts, vehicles and equipment under finance lease which net book value amounted to approximately Baht 4,696 million (2014 : Baht 2,719 million)

As at 31 December 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 1,492 million (2014: Baht 1,487 million (separate financial statements: Baht 1,228 million (2014: Baht 1,233 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 23 to financial statements.

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 20 to financial statements.

As at 31 December 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.

17. 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.

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

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

The net book value of intangible assets as at 31 December 2015 and 2014 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Concessions	Computer software	Total	Concessions	Computer software	Total
As at 31 December 2015:						
Cost	920,732	375,186	1,295,918	-	352,316	352,316
Less: Accumulated amortisation	(426,299)	(158,097)	(584,396)	-	(140,354)	(140,355)
Net book value	494,433	217,089	711,522	-	211,962	211,962
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

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	779,828	717,086	234,794	128,294
Acquisition of computer software	61,021	130,853	59,366	127,791
Disposal of computer software	(40)	-	-	-
Amortisation	(75,239)	(68,111)	(28,110)	(21,291)
Amortisation - disposal	40	-	-	-
Reclassified assets - net book value	(54,088)	-	(54,088)	-
Net book value at end of year	711,522	779,828	211,962	234,794

18. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deposits	941,008	658,053	934,281	650,926
Withholding tax	142,114	177,504	126,288	126,285
Others	2,288	2,287	2,288	2,287
Total	**1,085,410**	**837,844**	**1,062,857**	**779,498**

19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables - related parties	301,573	228,442	466,790	384,797
Trade payables - unrelated parties	1,335,355	1,457,398	1,149,935	1,278,546
Other payables - related parties	7,323	5,653	7,556	5,670
Other payables - unrelated parties	610,137	723,368	506,733	620,831
Other payables for purchase of software and equipment	6,190	25,263	2,666	8,402
Total trade and other payables	**2,260,578**	**2,440,124**	**2,133,680**	**2,298,246**

20. Long-term loans

Company

(Unit: Thousand Baht)

Loan	Credit Facility	Interest rate (percent per annum)	Period (year)	Agreement Date	Repayment	Separate financial statements	
						2015	2014
1	420	Year 1-2 : MLR - 0.50 Year 3 onward : MLR	6	29 October 2009	Monthly	-	117,000
2	1,100	Year 1 : MLR - 1.00 Year 2 : MLR - 0.50 Year 3 onward : MLR	7	20 August 2010	Monthly	312,800	495,200
3	250	MLR	5	9 November 2010	Monthly	-	61,000
4	500	5.50	7	9 May 2011	Yearly	-	45,953
5	300	5.50	7	24 June 2011	Monthly	105,600	148,800
6	53	6.00	7	24 January 2012	Monthly	21,780	29,700
Total						**440,180**	**897,653**
Less: Current portion						(233,520)	(457,473)
Long-term loans, net of current portion						206,660	440,180

Subsidiaries

(Unit: Thousand Baht)

Company	Credit Facilities	Interest rate (percent per annum)	Period (year)	Agreement Date	Repayment	2015	2014
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd	630	MLR - 0.75	12	15 March 2004	Quarterly	-	157,000
BAC Gourmets House Co., Ltd.	50	MLR	5 years 9 months	6 May 2015	Quarterly	30,000	-
BAC Gourmets House Co., Ltd.	40	MLR	4	24 April 2012	Quarterly	1,000	12,600
Total						**31,000**	**169,600**
Less: Current portion						(8,500)	(168,600)
Long term loan, net of current portion						22,500	1,000

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Total	471,180	1,067,253	440,180	897,653
Less: Current portion	(242,020)	(626,073)	(233,520)	(457,473)
Long-term loans, net of current portion	229,160	441,180	206,660	440,180

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 12, Note 15 and Note 16, respectively.

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

As at 31 December 2015 and 2014, the long-term credit facilities of the Company and its subsidiaries have been fully drawn down.

21. 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 and separate financial statements		
	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
Over five years	1,458,993	(66,964)	1,392,029
Total	**2,585,467**	**(204,808)**	**2,380,659**

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	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
Over five years	338,720	(9,926)	328,794
Total	**1,004,964**	**(42,269)**	**962,695**

22. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Liabilities under finance lease agreements	162,095	109,858	95,925	76,607
Less: Deferred interest expenses	(10,052)	(7,742)	(4,871)	(4,530)
Total	152,043	102,116	91,054	72,077
Less : Portion due within one year	(65,675)	(38,328)	(44,977)	(29,120)
Liabilities under finance lease agreements - net of current portion	86,368	63,788	46,077	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		
	2015		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	71,757	90,338	162,095
Deferred interest expenses	(6,082)	(3,970)	(10,052)
Present value of future minimum lease payments	65,675	86,368	152,043

(Unit: Thousand Baht)

	Consolidated financial statements		
	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

(Unit: Thousand Baht)

	Separate financial statements		
	2015		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	48,234	47,691	95,925
Deferred interest expenses	(3,257)	(1,614)	(4,871)
Present value of future minimum lease payments	44,977	46,077	91,054

(Unit: Thousand Baht)

	Separate financial statements		
	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

23. Long-term loans - related party

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2015	**11,285,745**
Increase from compound interest	1,351,420
Less: Payment during year	(1,283,035)
Balance as at 31 December 2015	11,354,130
Less: portion due within one year	-
Long-term loans - related party - net of current portion	**11,354,130**

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

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

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

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

The Company has pledged common shares of Bangkok Dusit Medical Services Public Company Limited amounting to 45 million shares (2014: 45 million shares) with a fair value of Baht 999 million (2014: Baht 774 million) as at 31 December 2015, as collateral.

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of year	**328,553**	**286,485**	**270,393**	**236,694**
Included in profit or loss:				
Current service cost	58,703	39,886	43,027	30,984
Interest cost	12,787	11,163	10,481	9,367
Adjust: disposal of Samui Catering	(907)	-	(907)	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	26,911	-	26,911	-
Experience adjustments	36,469	-	36,469	-
Benefits paid during the year	(41,170)	(8,981)	(39,961)	(6,652)
Provision for long-term employee benefits at end of year	**421,346**	**328,553**	**346,413**	**270,393**

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cost of sales and services	48,050	35,520	36,009	28,007
Selling and administrative expenses	22,533	15,529	16,592	12,344
Total expenses recognised in profit or loss	70,583	51,049	52,601	40,351

The Company and its subsidiaries expect to pay Baht 0.8 million of long-term employee benefits during the next year (Separate financial statements: nil) (2014: Baht 0.8 million, separate financial statements: nil).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 9.74 - 12.02 years (Separate financial statements: 12.02 years) (31 December 2014: 9.74 - 12.02 years, separate financial statements: 12.02 years).

Principle actuarial assumption at the valuation date were as follows:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	3.14 - 4.10	3.96 - 4.10	3.14	4.00
Future salary increase rate	5.00 - 7.00	4.00 - 6.00	6.00	5.00
Staff turnover rate (depending on age)	0.00 - 33.00	0.00 - 22.00	5.00 - 9.00	4.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(36)	43	(30)	36
Salary increase rate	39	(34)	36	(31)
Staff turnover rate (depending on age)	(40)	44	(33)	39

25. Share capital

On 14 to 17 October 2014, 21 to 22 October 2014 and 24 October 2014, the Company made an initial public offering of 520,000,000 shares of Baht 25 each, totaling Baht 13,000 million, with a share premium of Baht 12,066 Million, net of related expenses incurred in making the offering. On 28 October 2014, the Company received all payment for the initial public offering.

The Company registered the change in its paid-up capital from Baht 1,580 million (1,580 million ordinary shares of Baht 1 each) to Baht 2,100 million (2,100 million ordinary shares of Baht 1 each) with the Ministry of Commerce on 28 October 2014.

Reconciliation of number of ordinary shares

(Unit: Shares)

	Consolidated and separate financial statements	
	2015	2014
Issued and paid-up ordinary shares		
Number of ordinary shares at the beginning of the year	2,100,000,000	1,580,000,000
Increase paid-up ordinary shares - Baht 1 each	-	520,000,000
Number of ordinary shares at the end of the year	2,100,000,000	2,100,000,000

26. Statutory reserve

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

27. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salary and wages and other employee benefits	4,982,612	4,150,915	3,407,555	2,755,328
Depreciation	756,670	574,503	576,230	426,940
Amortisation expenses	77,361	70,232	30,232	23,412
Rental expenses from operating lease	1,870,235	1,995,604	1,756,204	1,884,647
Fuel expenses	4,401,314	5,199,960	4,401,314	5,199,960
Repair and maintenance	2,320,608	2,094,226	2,198,449	1,970,278
Ground service expenses	1,181,356	934,545	1,181,356	1,385,997
Catering and passenger service expenses	986,923	770,635	1,410,794	1,199,613
Landing and parking expenses	351,676	336,245	351,676	336,245
Aeronautical radio expenses	589,429	583,729	589,429	583,729
Booking expense	1,269,258	1,056,023	1,269,258	1,056,023
Raw materials and supply used	515,754	479,409	-	-
Fuel for ground service equipment	47,432	54,335	-	-

28. Income tax

28.1 Deferred tax assets / liabilities

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax assets				
Allowance for diminution in value of inventories	8,043	8,432	7,963	8,406
Accumulate depreciation - building and equipment	505	623	-	-
Accrued expense	15,146	14,412	1,685	1,576
Provision for long-term employee benefits	42,691	29,771	27,831	18,186
Tax loss carry forward	12,429	85,213	12,429	85,213
Total	78,814	138,451	49,908	113,381
Deferred tax liabilities				
Unrealised gain on re-measuring securities	4,748,396	3,534,899	4,034,346	3,025,849
Accrued income	761	537	761	537
Liabilities arising from finance lease of aircrafts	341,029	289,393	341,029	289,393
Finance lease liabilities	-	156	-	156
Total	5,090,186	3,824,985	4,376,136	3,315,935
Deferred tax assets - net	**28,906**	**25,070**	**-**	**-**
Deferred tax liabilities - net	**5,040,278**	**3,711,604**	**4,326,228**	**3,202,554**

28.2 Income tax expenses

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax charge	133,312	99,530	-	-
Adjustment in respect of current income tax of previous year	255	(200)	-	(200)
Deferred tax:				
Relating to origination and reversal of temporary differences	116,433	(98,808)	120,269	(97,251)
Income tax expenses reported in the statements of comprehensive income	**250,000**	**522**	**120,269**	**(97,451)**

Reconciliation between accounting profit and income tax expense is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	2,099,067	386,196	1,980,575	398,212
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	419,813	77,239	396,115	79,643
Adjustment in respect of current income tax of previous year	255	(200)	-	(200)
Effects of:				
BOI Privilege (Note 29)	(122,325)	(59,510)	(122,325)	(59,510)
Tax exempted revenue	51,703	(12,495)	51,703	73,640
Non-deductible expenses	213,868	188,016	213,170	180,565
Additional expense deduction allowed	(313,314)	(192,528)	(418,394)	(371,589)
Total	(170,068)	(76,517)	(275,846)	(176,894)
Income tax expenses reported in the statements of comprehensive income	**250,000**	**522**	**120,269**	**(97,451)**

28.3 Income tax relating to each component of other comprehensive income

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax relating to				
Gain on re-measuring				
available-for-sale investments	1,213,497	1,322,789	1,008,497	1,099,339
Actuarial loss	(5,092)	-	(5,092)	-
Total	**1,208,405**	**1,322,789**	**1,003,405**	**1,099,339**

29. Promotional privileges

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

Promotion certificate No.	Description	Commencing date	Expiring date
Air transportation operations			
2072(2)/2548	6 aircrafts with capacity of 795 seats	1 July 2007	30 June 2015
2199(2)/2551	3 aircrafts with capacity of 430 seats	30 January 2009	29 January 2017
1204(2)/2555	2 aircrafts with capacity of 300 seats	11 March 2012	10 March 2020
2019(2)/2555	1 aircraft with capacity of 162 seats	30 November 2012	29 November 2020
1208(2)/2556	4 aircrafts with capacity of 832 seats	18 May 2013	17 May 2021
Commercial airport operations			
1352(2)/2550	Samui airport	1 May 2007	30 April 2015
Catering operations			
2110(3)/2549	Manufacturing food	-	-

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

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

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	2015	2014	2015	2014	2015	2014
Sales						
Passenger	12,833	12,526	6,271	4,987	19,104	17,513
Others	870	1,029	2,917	1,900	3,787	2,929
Total sales	**13,703**	**13,555**	**9,188**	**6,887**	**22,891**	**20,442**

30. Earnings per share

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

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

	Profit for the years		Weighted average number of ordinary shares		Earnings per share	
	2015 (Thousand Baht)	2014 (Thousand Baht)	2015 (Thousand shares)	2014 (Thousand shares)	2015 (Baht)	2014 (Baht)
Consolidated financial statements	1,796,863	351,105	2,100,000	1,672,603	0.86	0.21
Separate financial statements	1,860,305	495,663	2,100,000	1,672,603	0.89	0.30

31. Segment information

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

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

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

Other segment is restaurants since such operating segment does not meet the quantitative thresholds as set out in the financial reporting standard.

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

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

Inter-segment revenues are eliminated on consolidation.

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

(Unit: Million Baht)

	Airlines segment		Airports segment		Supporting airlines business segments		Other segments		Adjustments and eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenues from external customers	19,429	17,844	535	504	3,038	2,615	111	69	-	-	23,113	21,033
Inter-segment revenue	1	1	-	-	883	882	3	1	(887)	(884)	-	-
Total revenues	19,430	17,845	535	504	3,921	3,497	114	70	(887)	(884)	23,113	21,033
Segment operating profit (loss)	4,378	3,213	134	112	381	154	(8)	(9)			4,885	3,470
Unallocated income and expenses:												
Dividend income											280	244
Interest income											256	73
Gain on sales of investments											-	3
Gain on exchange rate											323	72
Other income											930	698
Selling expenses											(1,748)	(1,510)
Administrative expenses											(1,716)	(1,457)
Other expenses											(9)	(6)
Share of income from investments in associates											504	438
Finance cost											(1,606)	(1,638)
Income tax expenses											(250)	(1)
Non-controlling interests of the subsidiaries											(52)	(35)
Profit for the year attributable to equity holders of the Company											**1,797**	**351**

Transfer prices between business segments are as set out in Note 6 to the financial statements.

67% of total revenue from the airlines, airports and supporting airlines business segments of the Company and its subsidiaries was derived from domestic operations.

For the year 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10% or more of an entity's revenues.

32. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3% to 8% (2014: 2% to 5%) of basic salary. The fund, which is managed by MFC Assets Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2015, the Company contributed Baht 82 million (2014: Baht 47 million) to the fund.

Subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and subsidiaries contribute to the fund monthly at the rate of 3% to 7% of basic salary. The fund, which is managed by Tisco Assets Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2015, Subsidiaries contributed Baht 20 million (2014: Baht 17 million) to the fund.

33. Dividend paid

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

34. Commitments and contingent liabilities

34.1 Operating lease commitments

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

As at 31 December 2015, future minimum lease payments required under aircraft lease agreements total USD 159 million (2014: USD 157 million).

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Payable				
In up to 1 year	771	715	268	227
In over 1 year and up to 5 years	2,100	1,917	171	170
In over 5 years	3,238	3,663	78	73

34.2 Capital commitments

34.2.1 As at 31 December 2015, the Company and its subsidiaries had capital commitments of Baht 25 million (2014: Baht 11 million) mainly in building improvement, and Baht 34 million (2014: Baht 75 million) relating to acquisition of software and office equipment for the Company's operations.

34.2.2 As at 31 December 2015, the Company had commitments as a result of its signature of a sale and purchase contract for 5 ATR aircrafts with Avions de Transport Regional G.I.E. Delivery of the aircraft is scheduled for between January 2016 and February 2017.

34.3 Guarantees

34.3.1 As at 31 December 2015, the Company has guaranteed bank credit facilities of its subsidiary companies amounting to Baht 570 million (2014: Baht 1,910 million) and associated companies amounting to Baht 165 million (2014: Baht 165 million).

34.3.2 As at 31 December 2015 and 2014, 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 financial statements		Separate financial statements	
	2015 (million)	2014 (million)	2015 (million)	2014 (million)
Letter of guarantees for land and building rental				
THB	161.55	153.49	19.18	11.12
Letter of guarantees for purchase of aircraft fuel				
THB	20.05	20.05	20.05	20.05
USD	0.03	0.03	0.03	0.03
Letter of guarantees for the concessionary contract				
THB	142.81	135.74	-	-
Letter of guarantees for payments due to creditors				
USD	0.50	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	18.30	18.80	18.30	18.80
Other letter of guarantees				
THB	50.61	56.67	35.95	42.01
EUR	0.01	0.01	0.01	0.01
USD	0.37	-	0.34	-
INR	0.50	-	0.50	-

34.4 Pledges

The Company and its subsidiaries

34.4.1 As at 31 December 2015 and 2014, the Company and its subsidiaries have the following contingent liabilities in respect of loan guarantees.

(Unit: Million Baht)

Guarantor	Guarantee	2015	2014
Bangkok Air Catering Co., Ltd.	BAC Gourmet House Co., Ltd.	120	46

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

(Unit: Million Baht)

Guarantor	Guarantee	2015	2014
Bangkok Air Catering Co., Ltd.	BAC Gourmet House Co., Ltd.	5	5

34.5 Other commitments

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

34.5.2 As at 31 December 2015, 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 112 million.

34.5.3 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 December 2015, the future payments required under non-cancellable agreements were as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	2015	2014
Payable		
In up to 1 year	95	-
In over 1 and up to 3 years	174	-

34.6 Letter of credit facilities

On 27 August 2015, 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. As at 31 December 2015, the undrawn portion of this credit facilities amounted to USD 1.87 million.

35. Litigations

The Company

35.1 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.

35.2 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 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.

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.

35.3 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, as discussed in Note 11 to the financial statements. 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 106 million from the escrow account back to the Company's bank account in Thailand.

35.4 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.

35.5 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.

Subsidiaries

35.6 During 2008, the subsidiary was sued for Baht 68.6 million by its construction contractor in a dispute between the parties over the subsidiary's opinion that the contractor had not complied with the terms and conditions of a construction contract. On 20 April 2010, the Civil Court 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 being considered by 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.

36. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Trading investments Equity instruments	15	-	-	15
Available-for-sale investments				
Equity instruments	26,946	-	-	26,946
Assets for which fair value are disclosed				
Investments in associated that are listed companies	5,670	-	-	5,670
Investment properties	-	-	235	235
Liabilities for which fair value are disclosed				
Unfavourable fuel price swap agreements	-	-	183	183
Unfavourable equity swap agreement	-	-	280	280

(Unit: Million Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	22,395	-	-	22,395
Assets for which fair value are disclosed				
Investments in associated that are listed companies	5,670	-	-	5,670
Investment properties	-	-	235	235
Liabilities for which fair value are disclosed				
Unfavourable fuel price swap agreements	-	-	183	183
Unfavourable equity swap agreement	-	-	280	280

37. Financial instruments

37.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

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

(Unit: Million Baht)

	Consolidated financial statement 2015						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	7	-	-	2,132	2,489	4,628	0.05 - 2.75
Current investments	8,600	-	-	-	15	8,615	0.90 - 1.90
Trade and other receivables	-	-	-	-	1,847	1,847	-
Restricted bank deposits	27	-	-	-	-	27	0.90 - 1.10
Other long-term investments	-	-	50	-	26,953	27,003	4.375
Total	**8,634**	**-**	**50**	**2,132**	**31,304**	**42,120**	
Financial liabilities							
Trade and other payables	-	-	-	-	2,261	2,261	-
Long-term loans	51	76	-	344	-	471	5.5 - 6.0 and MLR - 1.0 to MLR
Liabilities arising from finance lease of aircrafts	192	796	1,392	-	-	2,380	1.00 - 2.90
Finance lease liabilities	66	86	-	-	-	152	4.00 - 6.25
Long-term loans from related parties	-	102	11,252	-	-	11,354	12.64
Total	**309**	**1,060**	**12,644**	**344**	**2,261**	**16,618**	

(Unit: Million Baht)

	Consolidated financial statement 2014						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	2	-	-	727	1,446	2,175	0.10 - 2.75
Current investments	11,500	-	-	-	25	11,525	1.20 - 3.00
Trade and other receivables	-	-	-	-	1,705	1,705	-
Restricted bank deposits	22	-	-	2	168	192	1.70 - 2.95
Other long-term investments	-	-	50	-	20,886	20,936	4.375
Total	**11,524**	**-**	**50**	**729**	**24,230**	**36,533**	
Financial liabilities							
Trade and other payables	-	-	-	-	2,440	2,440	-
Long-term loans	97	127	-	843	-	1,067	5.5 - 6.0 and MLR-1.5 to MLR
Liabilities arising from finance lease of aircrafts	455	179	329	-	-	963	0.86 - 7.07
Finance lease liabilities	33	48	-	-	21	102	4.50 - 6.61
Long-term loans from related parties	-	-	11,286	-	-	11,286	12.64
Total	**585**	**354**	**11,615**	**843**	**2,461**	**15,858**	

(Unit: Million Baht)

	Separate financial statement 2015						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	2	-	-	1,666	2,427	4,095	0.05 - 2.75
Current investments	8,600	-	-	-	-	8,600	0.90 - 1.90
Trade and other receivables	-	-	-	-	1,819	1,819	-
Restricted bank deposits	2	-	-	-	-	2	0.90
Other long-term investments	-	-	50	-	22,402	22,452	4.375
Total	**8,604**	**-**	**50**	**1,666**	**26,648**	**36,968**	
Financial liabilities							
Trade and other payables	-	-	-	-	2,134	2,134	-
Long-term loans	51	76	-	313	-	440	5.5 - 6.0 and MLR - 1.0 to MLR
Liabilities arising from finance lease of aircrafts	192	796	1,392	-	-	2,380	1.00 - 2.90
Finance lease liabilities	45	46	-	-	-	91	4.00 - 6.23
Long-term loans from related parties	-	102	11,252	-	-	11,354	12.64
Total	**288**	**1,020**	**12,644**	**313**	**2,134**	**16,399**	

(Unit: Million Baht)

	Separate financial statement 2014						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalent	2	-	-	497	1,378	1,877	0.10 - 2.75
Current investments	11,500	-	-	-	-	11,500	1.20 - 3.00
Trade and other receivables	-	-	-	-	1,531	1,531	-
Restricted bank deposits	-	-	-	2	166	168	1.70
Other long-term investments	-	-	50	-	17,360	17,410	4.375
Total	**11,502**	**-**	**50**	**499**	**20,435**	**32,486**	
Financial liabilities							
Trade and other payables	-	-	-	-	2,298	2,298	-
Long-term loans	97	128	-	673	-	898	5.50 - 6.00 and MLR-1.5 to MLR
Liabilities arising from finance lease of aircrafts	455	179	329	-	-	963	0.86 - 7.07
Finance lease liabilities	29	43	-	-	-	72	4.50 - 6.61
Long-term loans from related parties	-	-	11,286	-	-	11,286	12.64
Total	**581**	**350**	**11,615**	**673**	**2,298**	**15,517**	

37.2 Foreign currency risk

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

Foreign currency	Consolidated financial statements				Average exchange rate	
	Financial assets		Financial liabilities		2015	2014
	2015 (Million)	2014 (Million)	2015 (Million)	2014 (Million)	(Baht per 1 foreign currency unit)	
AUD	1	1	-	-	26.28	26.81
BDT	1,646	1,347	2	13	0.46	0.42
CNY	17	14	1	2	5.55	5.30
EUR	6	8	-	-	39.44	40.05
GBP	1	1	-	-	53.50	51.15
HKD	8	18	4	5	4.66	4.25
INR	155	157	22	34	0.54	0.52
JPY	20	45	1	2	0.30	0.27
RUB	23	18	-	-	0.50	0.56
SGD	2	1	-	-	25.52	24.89
USD	72	65	91	63	36.09	32.96
TWD	4	6	-	-	1.10	1.04
KRW	359	341	-	-	0.03	0.03
MYR	-	-	1	-	8.43	9.42
ZAR	1	-	-	-	2.36	2.84
PHP	1	-	-	-	0.77	0.74
IDR	921	-	27	-	0.003	0.003

Foreign currency	Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities		2015	2014
	2015 (Million)	2014 (Million)	2015 (Million)	2014 (Million)	(Baht per 1 foreign currency unit)	
AUD	1	1	-	-	26.28	26.81
BDT	1,646	1,347	2	13	0.46	0.42
CNY	17	14	1	2	5.55	5.30
EUR	6	8	-	-	39.44	40.05
GBP	-	1	-	-	53.50	51.15
HKD	8	18	4	5	4.66	4.25
INR	155	157	22	34	0.54	0.52
JPY	20	45	1	2	0.30	0.27
RUB	23	18	-	-	0.50	0.56
SGD	2	1	-	-	25.52	24.89
USD	70	63	82	53	36.09	32.96
TWD	4	6	-	-	1.10	1.04
KRW	359	341	-	-	0.03	0.03
MYR	-	-	1	-	8.43	9.42
ZAR	1	-	-	-	2.36	2.84
PHP	1	-	-	-	0.77	0.74
IDR	921	-	27	-	0.003	0.003

37.3 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% and not more than 70% 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 48.67% (2014: 58.6%) of its annual fuel consumption. As at 31 December 2015, the Company still has an obligation from fuel price hedging until September 2016 amount of 345,000 barrels (2014: 735,000 barrels) of Jet fuel whereby the lowest and the highest jet fuel prices are between USD 56 per barrel to USD 77 per barrel (2014: between USD 96.9 per barrel to USD 119.27 per barrel).

37.4 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position except fuel price swap agreements and equity swap agreement.

As at 31 December 2015, the estimated fair value of the derivatives is as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements
	Fair value
	Gain (loss)
Derivatives	
Fuel price swap agreements	(183)
Equity swap agreement	(280)

The methods and assumptions used by the Company in estimating the fair value of derivatives are as follows:

a) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves.

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

38. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.83:1 (2014: 0.91:1) and the Company's was 0.84:1 (2014: 0.90:1).

39. Events after the reporting period

On 25 February 2016, a Board of Directors Meeting proposed the payment of a dividend for the year 2015 of Baht 0.45 per share amounting to Baht 945 million be considered by the General Meeting of the Shareholders.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2016.

Bangkok Airways Offices

A - C

Head Office

99 Mu 14, Vibhavadirangsit Road,
Chom Phon, Chatuchak,
Bangkok 10900 Thailand

Reservation Center: 1771

Tel: +66 (2) 270 6699
Fax: +66 (2) 265 5556

Sales:

Tel: +66 (2) 265 5678
Fax: +66 (2) 265 5522
Email: reservation@bangkokair.com

Bangkok Airport Office

Suvarnabhumi International Airport
Passenger Main Terminal, 6th Floor, Row F
999 Mu 10, Bangna-Trat Road,
RachaThewa, Bang-Phli,
Samutprakan 10540 Thailand
Tel: 1771
Fax: +66 (2) 134 3895
Email: reservation@bangkokair.com

Chiang Mai Airport Office

1st Floor, Chiang Mai International Airport,
Chiang Mai 50000 Thailand
Tel: +66 (53) 281 519 ext 11 / 14
Fax: +66 (53) 281 519 ext 18
Email: cnxrrpg@bangkokair.com

Chiang Mai Town Office

Kantary Terrace, Room A & B
44 / 1 Nimmanhaemin Road, Soi 12,
Suthep, Muang,
Chiang Mai 50200 Thailand
Tel: +66 (53) 289 338-9
Fax: +66 (53) 289 340
Email: cnxtopg@bangkokair.com

Chiang Rai Airport Office

Mae Fah Luang International Airport
404 Ban Du Muang,
Chiang Rai 57100 Thailand
Tel: +66 (53) 793 006
Fax: +66 (53) 789 266
Email: ceirrpg@bangkokair.com

Chiang Rai Town Office

897 / 9 Phahonyothin Road,
Wiang Muang,
Chiang Rai 57000 Thailand
Tel: +66 (53) 715 083
Email: ceitopg@bangkokair.com

D - M

European Regional Office
Bethmannstrasse 58
D-60311, Frankfurt / Main, Germany
Tel: +49 (69) 133 77 565-6
Fax: +49 (69) 133 77 567
Email: info@bangkokairways.de

Hat Yai Airport Offce
Hat Yai International Airport
99 Moo 3, Klong La, Klong Hue Kong
Songkhla 90115 Thailand
Tel : +66 (0) 7422 7427
Fax : +66 (0) 7422 7426
Email: hdykkpg@bangkokair.com

Hong Kong Town Office
Suite 912, 9th Floor, Ocean Centre, Harbour City,
Tsim Sha Tsui, Kowloon, Hong Kong
Tel: +852 2899 2597, +852 2899 2634

Sales:
Tel: +852 2840 1248, +852 2899 2607
Fax: +852 2537 4567
Email: hkgrrpg@bangkokair.com

Krabi Airport Office
Krabi International Airport Building 1, 3rd Floor,
133 Mu 5, Nuaklong, Krabi 81130 Thailand
Tel: +66 (75) 701 608-9
Fax: +66 (75) 701 607
Email: kbvrrpg@bangkokair.com

Krabi Town Office
2 City Plaza, Maharaj Soi 10,
Paknam, Muang,
Krabi 81000 Thailand
Tel: +66 (75) 612 650-51
Fax: +66 (75) 612 672
Email: kbvtopg@bangkokair.com

Lampang Airport Office
Lampang Airport
175 Sanarmbin 1 Road, Phrabaht,
Lampang 52000 Thailand.
Tel: +66 (54) 821-522
Fax: +66 (54) 821-521
Email: lptrrpg@bangkokair.com

Luang Prabang Airport Office
Luang Prabang International Airport
(International Terminal)
Hat Hien, Ban Hat Hien
Luang Prabang, Lao PDR
Tel: +856 (71) 253 253
Fax: +856 (71) 253 253

Luang Prabang Town Office
57 / 6 Srisawangwong Road,
District 3, Bann Xiengmuan,
Luang Prabang, Lao PDR
Tel: +856 (71) 253 334
Fax: +856 (71) 253 335
Email: lpqrrpg@bangkokair.com

Mandalay Airport Office
Mandalay International Airport (TaDaOo)
Bangkok Airways PCL. Office 2nd Floor,
Departure Area Mandalay,
Republic of the Union of Myanmar
Tel: +95 2 27082
Fax: +95 2 27083

Mandalay Town Office
Building no.14, 78 Street,
Chanayetharzan Township, Mandalay,
Republic of the Union of Myanmar
Tel: +95 2 36323, +95 2 69387
Email: mdlrrpg@bangkokair.co

M - S

Mumbai Airport Office

Chatrapati Shivaji International Airport (CSIA)
Office No. W-83091, 3rd Floor Terminal 2
Tel: +91 22 6685 9034
Fax: +91 22 6685 0935
Email: bomkkpg@bangkokair.com

Nay Pyi Taw Airport Office

Unit # I2 & I3, International Departure,
Leway Township, Nay Pyi Taw,
Republic of the Union of Myanmar
Tel: +95 67 8109054
Email: nytrrpg@bangkokair.com

Pattaya Airport Office

U -Tapao International Airport
70 Mu 2, Pla, Banchang, Rayong 21130 Thailand
Tel: +66 (38) 245 599
Fax: +66 (38) 245 979
Email: utprrpg@bangkokair.com

Pattaya Town Office

Fairtex Arcade Room A5
212 / 5 Mu 5, North Pattaya Road,
Naklua, Banglamung,
Chonburi 20260 Thailand
Tel: +66 (38) 412 382
Fax: +66 (38) 411 965
Email: pyxrrpg@bangkokair.com

Phnom Penh Airport Office

Confederation De La Russie St.110,
Phnom Penh International Airport,
Phnom Penh, Cambodia
Tel: +855 (23) 890 103, +855 (23) 971 771
Fax: +855 (23) 890 518
Email: pnhrrpg@bangkokair.com

Phnom Penh Town Office

No.61A, 214 Sangkat Beong Rang,
Khan Don Penh, Phnom Penh, Cambodia
Tel: +855 (23) 971 771, +855 (23) 966 556-8
Fax: +855 (23) 966 554
Email: pnhrrpg@bangkokair.com

Phuket Airport Office

Phuket International Airport, 3rd Floor,
Phuket 83000 Thailand
Tel: +66 (76) 205 400-2
Fax: +66 (76) 327 114
Email: hktrrpg@bangkokair.com

Phuket Town Office

158 / 2-3 Yaowaraj Road,
Phuket 83000 Thailand
Tel: +66 (76) 225 033-5
Fax: +66 (76) 356 029
Email: hkttopg@bangkokair.com

Samui Airport Office

99 Mu 4 , Bo Phud, Koh Samui,
Suratthani 84320 Thailand
Operator Tel: +66 (77) 428 500
Ticketing Tel: +66 (77) 428 555
Fax: +66 (77) 601 162
Email: usmrrpg@bangkokair.com

Samui Chaweng Office

54 / 4 Mu 3, Bo Phud, Koh Samui,
Suratthani 84320 Thailand
Reservation Center:
Tel: +66 (77) 601 300
Fax: +66 (77) 422 235
Email: usmtopg@bangkokair.com

S - Z

Siem Reap Town Office

28,29 Eo, St. Sivutha, Phum Modol II,
Sangkat Svay Dangkum, Srok / Khet,
Siem Reap, Cambodia.
Tel: +855 (23) 971 771, +855 (63) 965 422-3
Fax: +855 (63) 965 424
Email: reprrpg@bangkokair.com

Singapore Airport Office

Bangkok Airways Public Company Limited
Changi Airport Terminal 1
unit 041-04F, Singapore 819142
Tel: +65 6545 8481
Fax: +65 6546 8982
Email: sinkkpg@bangkokair.com

Singapore Town Office

Bangkok Airways Public Co., Ltd. (SG Branch)
111 Somerset Road, TripleOne Somerset,
#11-06A, Singapore 238164
Tel : +65 6738 0063
Fax : +65 6738 8867
Email: sinrrpg@bangkokair.com

Sukhothai Airport Office

99 Mu 4, Klongkrajong, Sawankaloke,
Sukhothai 64110 Thailand
Tel: +66 (55) 647 224
Fax: +66 (55) 647 222
Email: thsrrpg@bangkokair.com

Trat Airport Office

99 Mu 3, Tasom, Khao Saming,
Trat 23150 Thailand
Tel: +66 (39) 525 767-68
Fax: +66 (39) 525 769
Email: tdxrrpg@bangkokair.com

Trat (Koh Chang) Office

9 / 8 / 5 Mu 4, Koh Chang,
Trat 23170 Thailand
Tel: +66 (39) 551 654-5
Fax: +66 (39) 551 656
Email: tdxtopg@bangkokair.com

Vientiane Town Office

Lao Plaza Hotel
63 Samsenthai Road, Shop B,
Xiengyeun village, Chanthabouly district,
Vientiane Lao PDR
Tel: +856 (21) 242 557 , +856 (21) 242 559
Fax: +856 (21) 242 818

Yangon Airport Office

Room No. 14 / 15 Departure Terminal,
Yangon International Airport,Yangon,
Republic of the Union of Myanmar
Tel & Fax: +95 (1) 533 194

Yangon Town Office

0305 3rd Fl., Sakura Tower
339 Bogyoke Aung San Road,
Kyauktada Township, Yangon,
Republic of the Union of Myanmar
Tel: +95 (1) 255 122, +95 (1) 255 265
Fax: +95 (1) 255 119
Email: rgnrrpg@bangkokair.com

We believe that being in the right place at the right time
can make a holisying experience truly unique special.

Let's **journey together** and
find **your magic hour.**

Fly Boutique. **Feel** Unique.

BANGKOK AIRWAYS PUBLIC COMPANY LIMITED
99 Mu 14, Vibhavadirangsit Road, Chom Phon,
Chatuchak, Bangkok 10900, Thailand
Tel. : (66) 2 265 5678 Fax. : (66) 2 265 5556
E-mail: reservation@bangkokair.com

www.bangkokair.com / ✆ 1771

ASIA'S BOUTIQUE AIRLINE

Bangkok Airways