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"Investors can study more information from the Annual Registration Statement (Form 56-1) by which the Company has published via www.sec.or.th or www.bafsthai.com"





Vision

Sustainable Development
in Energy Services with Awareness
of Quality Safety and Environment



Mission



Shareholders :

To operate and sustainable wealth creation with lucrative profit for shareholders regularly



Customers :

To focus on Quality and Safety according to International Standard for creating customer's satisfaction



Stakeholders :

To conduct business together with principle of Corporate Governance and follow Collective Action Coalition against Corruption guideline



Community/ Environment :

To be responsible for society, community and environment with Sustainability Development Framework

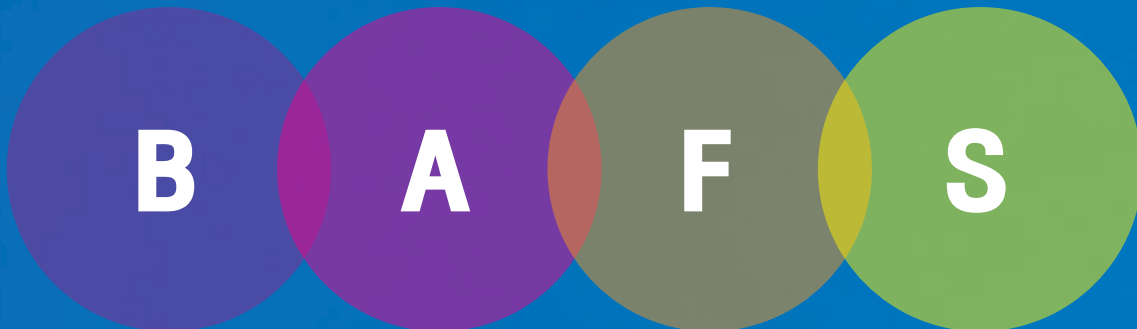


Corporate members :

To develop potential of personnel meets professional, ethical, and abide by Corporate Governance principle



Core Value



•
Belief in
Teamwork

•
Awareness of Safety
Quality and Environment

•
Following Best
Practice

•
Service
with Our Heart

ECONOMIC

WORLD CLASS OPERATION

SOCIAL

ENVIRONMENT



Message from Managing Director

In 2015, BAFS marked another new high of operation result. Thanks to continue growth of tourism industry, number of flights and volume of Jet fuel supply increased. Total volume of aviation fuel that BAFS Group had provided for the two major airports at Suvarnabhumi and Don Mueang raised by 8.8% which resulted in the growth of revenue by 11.1%. In the meantime, cost and expenditure controlled help make the net profit for the year 2015 reached 28.5%, a 25.1% increased from previous year.

Also in 2015, the Energy Policy committee (“EPC”) approved investment project of fuel pipeline system expansion to the northern region. Subsequently, the Department of Energy Business agreed to sign the MOU with “Fuel Pipeline Transportation Limited (“FPT”), a subsidiary of BAFS to carry the project. This northern pipeline project of FPT is another major step towards growth and sustainable development of BAFS group. This project is expected to be completed in the middle of 2018 and will generate the increase in revenue for BAFS Group. But more importantly, it will enhance the nation’s energy security of supply and efficiency in fuel transportation and reduce negative impact to environment.

BAFS continues to operate under good corporate governance principles. Hence, the Company was awarded in 2015 one of the 50 listed companies in ASEAN with highest CG Scores from the “ASEAN CG Scorecard 2015” conference held at Manila, the Philippines. Further, BAFS achieved the “Excellent” corporate governance recognition level for 7 consecutive years from the Thai Institute of Directors Association (IOD).

The success of BAFS is the result of cooperation and supports contributed by the Board of Directors, the Management and employees of the Corporate Group who have committed to sustainable development of energy services with quality, safety and environment concern as outlined in BAFS’s strategy.

For this and on behalf of the Board of Directors, the Management and employees, I would like to express my sincere thankfulness to all shareholders, customers, trade partners, business alliances and stakeholders BAFS would not be successful who continually provide good support to the Company.



Mr. Prakobkiat Ninnad
Managing Director



Financial Highlight

Bangkok Aviation Fuel Services Public Company Limited

Unit : million Baht

	2015	2014	2013
--	------	------	------

Key Financial Status and Performance

Services Income	3,327.86	2,981.00	2,761.31
Other Income	31.78	43.85	372.39
Total Revenue	3,359.64	3,024.84	3,133.71
Cost of Services	1,449.18	1,380.44	1,187.81
Administrative Expenses	564.90	547.26	473.87
Total Expenses	2,014.08	1,927.69	1,661.68
Gross Profit	1,878.68	1,600.56	1,573.50
Finance Costs	83.23	101.90	119.08
Profit (Loss) attributable to equity holders of the parent	957.69	757.75	1,053.27
Cash and Short Term Investment	1,501.33	1,246.00	1,356.12
Total Assets	8,540.54	8,235.24	8,105.75
Total Liabilities	2,876.35	3,022.85	3,127.57
Shareholders' Equity	5,664.20	5,212.40	4,978.19

Key Financial Ratios

Gross Profit Margin	56.45%	53.69%	56.98%
Net Profit Margin	28.51%	25.05%	33.61%
Return on Assets	11.42%	9.27%	13.59%
Return on Equity	17.61%	14.87%	22.73%
Debt to Equity (Times)	0.51	0.58	0.63
Book Value per share* (Baht)	8.89	8.18	7.81
Dividend per share (Baht)	1.10	1.10	1.00
Earning per share* (Baht)	1.50	1.19	1.65

Notes* Calculation from the total common shares of 637.5 million shares

General Information



Bangkok Aviation Fuel Services Public Company Limited

Head Office:	171/2 Kamphang Phet 6 Rd., Don Mueang, Bangkok 10210 Tel: 0 2834 8900 Fax: 0 2834 8999 Website: www.bafsthai.com
Type of Business:	Provides aviation fuel services including aviation fuel depot and aircraft refueling service.
Company Registration Number:	0107538000487
Registered Capital:	637,496,657 shares at par value of 1 Baht, total 637,496,657 Baht
Paid-Up Capital:	637,496,153 shares at par value of 1 Baht, total 637,496,153 Baht

Reference:

Securities Registration:	Thailand Securities Depository Company Limited 93, 14 th Floor, Ratchadapisek Rd., Dindang, Bangkok 10400 Tel: 0 2009 9000 Fax: 0 2009 9991
Auditor:	E Y Office Company Limited Lake Rajada Office Comple 193/136-137, 33 rd Floor New Rajadapisek Rd., Klongtoey Bangkok 10110 Tel: 0 2264 0777, 0 2661 9190 Fax: 0 2264 0789-90



Subsidiaries

Company Names	Types of Business	Types of Issued Shares	Paid-Up Capital (Million Baht)	Shares Proportion (Percentage)
Thai Aviation Refuelling Co.,Ltd. 99 Moo 10, Srisa Jorakhenoi, Bang Sao Thong, Samut Prakan 10540 Tel: 0 2134 4021-6 Fax: 0 2134 0420	Provides aviation fuel service through pipeline at Suvarnabhumi Airport	Ordinary	530	90.00
Fuel Pipeline Transportation Limited 424 Kamphaeng Phet 6 Rd., Don Muang, Bangkok 10210 Tel: 0 2574 6180-3 Fax: 0 2574 6101	Provides fuel storage and fuel transportation through underground pipeline system	Ordinary and Preferred	260.67	90.72*
Intoplane Services Company Limited 171/2 Kamphang Phet 6 Rd., Don Mueang, Bangkok 10210 Tel: 0 2834 8982-3 Fax: 0 2834 8999	Provides labor contracting service for aircraft refueling only which currently operates at Samui Airport, Sukhothai Airport and Trat Airport	Ordinary	0.12	83.33

* On January 19th, 2016, the Company reduced shareholding proportion of Fuel Pipeline Transportation Limited for 16.55%; therefore, it remains at 75%.

Honorable Awards

BAFS received Outstanding Organization Awards for its Three Operating Sites.

Bangkok Aviation Fuel Services PLC. (BAFS) received Outstanding Organization Awards for Workplace Safety, Health and Environment 2015 for its three operating sites include Don Mueang Aviation Fuel Storage Station (Head Office), Suvarnabhumi Into-plane Refueling Station, and Suvarnabhumi Aviation Fuel Storage Station on July 2nd, 2015 at Bangkok International Trade and Exhibition Center, Bangna.



BAFS received Sustainability Awards



Bangkok Aviation Fuel Services PLC. (BAFS) received Thailand Sustainability Investment (THSI) Awards from SET Sustainability Awards 2015, which held to announce prestige and honour listed companies that promote sustainability and are outstanding in business operational sustainability, on October 16th, 2015 at the Stock Exchange of Thailand.

BAFS received TOP 50 ASEAN PLCs Awards

Bangkok Aviation Fuel Services PLC. (BAFS) received award as 1 of 50 list companies of ASEAN that reached highest score for good corporate governance in compliance to assessment criteria of ASEAN CG Scorecard 2015. on Saturday, November 14th, 2015 at Manila, Philippines.



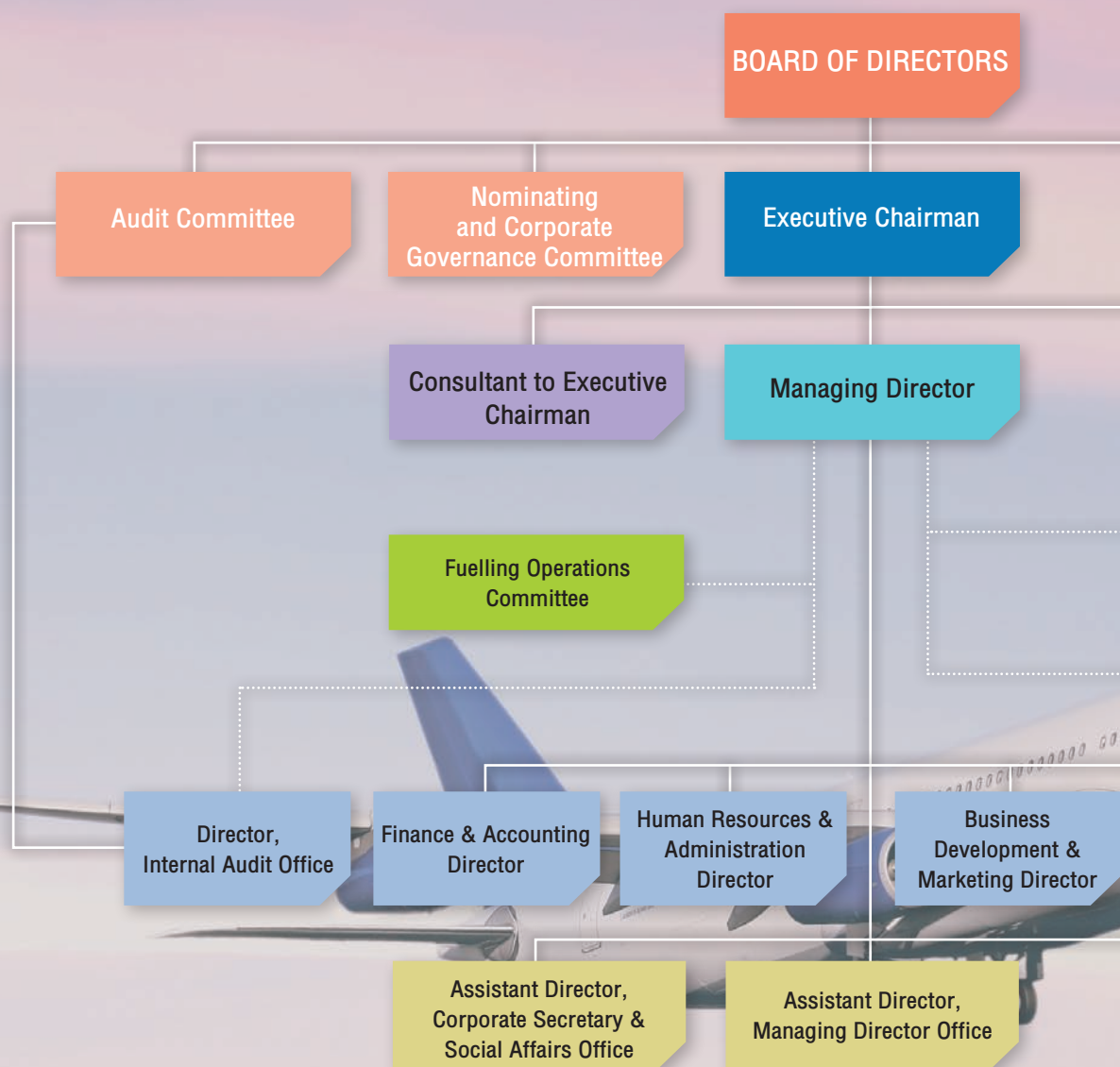
BAFS received Sustainability Recognition Awards



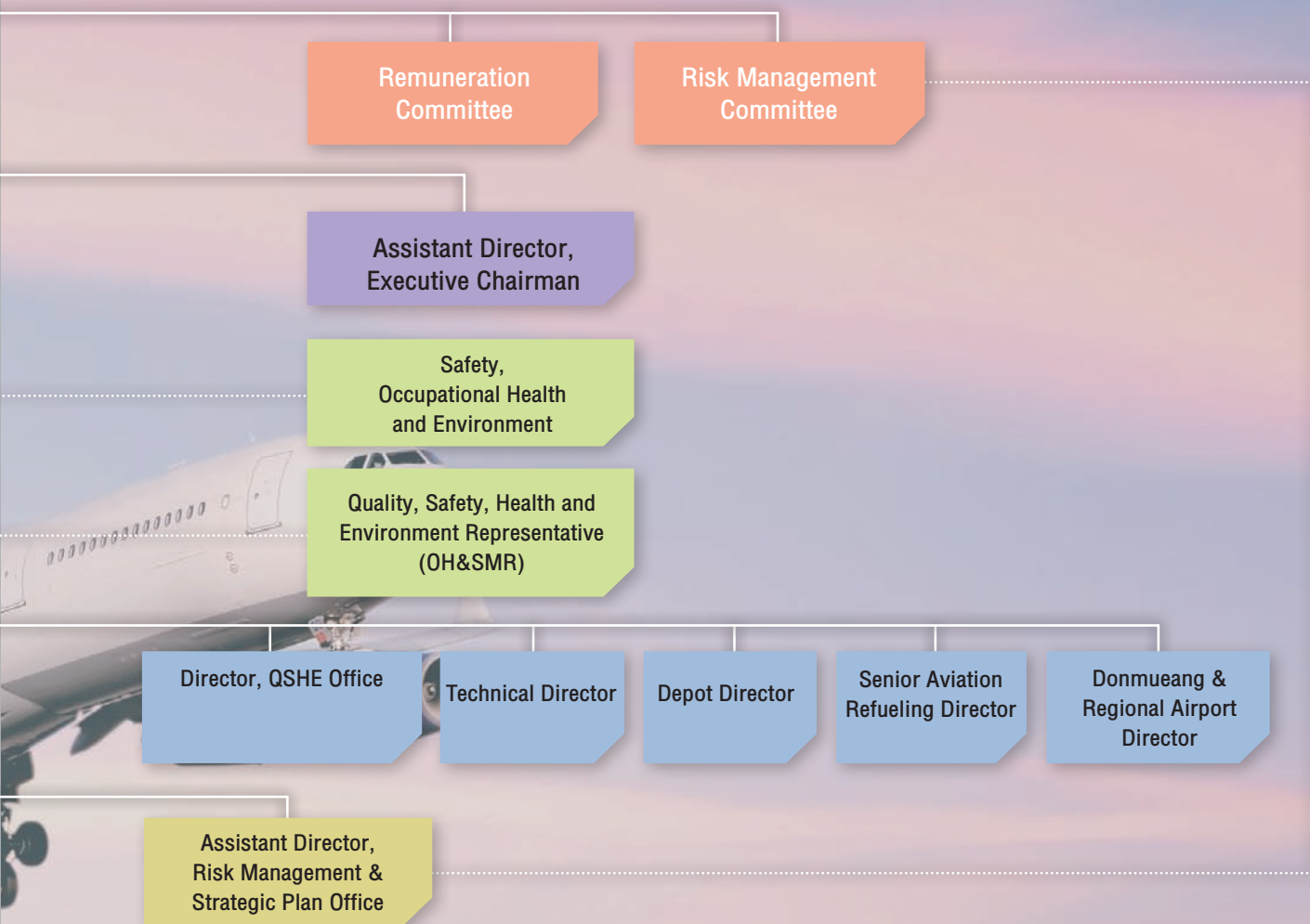
Bangkok Aviation Fuel Services PLC. (BAFS) received the Sustainability Recognition Awards from Sustainability Report Award 2015, which held by CSR Club, Thai Listed Companies Association, Securities and Exchange Commission of Thailand (SEC) and Thaipat Institute to elevate listed companies on their disclose information regarding environmental, social and governance (ESG) for long term sustainability.

Organization chart

Bangkok Aviation Fuel Services Public Company Limited



———— Line of Command
..... Reporting Lines



Effective Date : January 1, 2016

Board of Directors



Mr. Palakorn Suwanrath (67 years)
Chairman and Independent Director

Starting Date of Directorship 2 April 2007

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Arts in Political Science, Chulalongkorn University
- Master of Arts in International Affairs (M.A.I.A) Southeast Asia Studies, Ohio University, USA
- Certificate, National Defense College, Class 37
- Directors Certification Program (DCP) 92/2007
- Director Accreditation Program (DAP) 63/2007
- The Role of Chairman (RCM) 16/2007

Work Experience

- 2007 - Present Chairman and Independent Director, Bangkok Aviation Fuel Services Plc.
- 2001 - Present Privy Councilor
- 2014 - Present Chairman and Independent Director, The Platinum Group Plc.
- 2013 - 2014 Chairman and Independent Director, The Platinum Group Co., Ltd.
- 1979 - Present Director, Thongtipaya Co., Ltd.
- 1979 - Present Director, Supatasna Co., Ltd.
- 1980 - Present Director, Lucky Clover Co., Ltd.
- 1990 - Present Director, Les Trois Co., Ltd.

- 2001 - 2008 Director, SCB Securities Co. Ltd.
- Past Chairman, Metropolitan Electricity Authority
- Chairman, Provincial Electricity Authority
- Director, Electricity Generating Authority of Thailand
- Director, Expressway and Rapid Transit Authority of Thailand
- Director, Government Savings Bank

Current Position in Other Companies

Listed companies

- Chairman and Independent Director, The Platinum Group Plc.

Non-listed companies

- 4 Companies

Illegal Record

- None



M.R. Supadis Diskul (66 years)
Director, Remuneration Committee Director, Nominating and Corporate Governance Committee Director, Risk Management Committee Director and Executive Chairman

Starting Date of Directorship 30 December 1983

Shareholding of the Company

- 0.63% (In name of himself and spouse 4,000,000 shares) Increased 858,600 shares in 2015

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Science, Medical Technology, Mahidol University
- Master of Community and Regional Planning, North Dakota State University, USA
- Certificate, National Defence College, The National Defence Course for the Joint State-Private Sectors, Class 4515
- Director Certification Program (DCP) 51/2004
- Director Accreditation Program (DAP) 12/2004
- Finance for Non-Finance Directors (FND) 14/2004 and 1/2011
- Role of the Compensation Committee (RCC) 4/2007
- The Role of Chairman Program (RCP) 16/2007
- Successful Formulation and Execution of Strategy (SFE) 5/2009
- Anti-Corruption for Executive Program (ACEP) 11/2014

Work Experience

- 2014 - Present Executive Chairman Bangkok Aviation Fuel Services Plc.
- 2013 - 2014 Executive Chairman & Managing Director Bangkok Aviation Fuel Services Plc.
- 1983 - 2013 Managing Director Bangkok Aviation Fuel Services Plc.



Mr. Prakobkiat Ninnad (59 years)

Director, Remuneration Committee Director, Nominating and Corporate Governance Committee Director, Risk Management Committee Director, and Managing Director

2013 - Present	Independent Director Bangkok Insurance Plc.
2010 - Present	Chairman Fuel Pipeline Transportation Limited
2006 - 2010	Director Fuel Pipeline Transportation Limited
1997 - 2006	Managing Director Fuel Pipeline Transportation Limited
1991 - 1997	Director Fuel Pipeline Transportation Limited
2011 - Present	Director Thai Aviation Refuelling Co., Ltd.
1996 - 2011	Managing Director Thai Aviation Refuelling Co., Ltd.
1986 - 2015	Chairman Intoplane Service Co., Ltd.
2011 - 2014	Director JP-One Asset Co., Ltd.
2004 - 2011	Managing Director JP-One Asset Co., Ltd.
2011 - 2013	Director BAFS International Limited
1997 - 2003	Executive Vice President, Corporate Development and Support Department Thai Airways International Plc.

Current Position in Other Companies

Listed companies

- Independent Director, Bangkok Insurance Plc.

Non-listed companies

- 2 Companies

Illegal Record

- None

Starting Date of Directorship 24 April 2014

Shareholding of the Company

- 0.008% (In name of himself 53,600 shares)
Increased 53,600 shares in 2015

Relationship with Management

- None

Education / Director Training Program

- Bachelor of National Economics and International Relations, University of Stockholm, Sweden
- Intensive Business Profession Program, Faculty of Commerce and Accountancy, Chulalongkorn University
- Aviation Law Seminar, International Aviation Management Training Institute, Canada
- Role of Executive to Internal Control, Risk Management Awareness for Executives, Internal Control, Business & Finance Acumen from Thai Airways International Plc.
- Directors Certification Program (DCP) 193/2014
- Executive Program: Good Governance for Sustainable Development - Institute for Good Governance Promotion

Work Experience

2015 - Present	Director, Thai Aviation Refuelling Co., Ltd.
2015 - Present	Chairman, Intoplane Services Co., Ltd.
2014 - Present	Director and Managing Director, Bangkok Aviation Fuel Services Plc.
2012 - 2013	Director, Bangkok Aviation Fuel Services Plc.

2006 - Present	Director, Fuel Pipeline Transportation Limited
2003 - 2014	Vice President, Petroleum, Corporate Insurance and Aviation Environment Department, Thai Airways International Plc.

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 3 Companies

Illegal Record

- None



Flight Lieutenant Montree Jumrieng (58 years)
Director and Nominating and Corporate Governance Committee Director

Starting Date of Directorship 18 February 2010

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Science, Mechanical Engineering, Royal Thai Air Force Academy
- Honorary Degree, Management, Rajamangala University of Technology Thanyaburi
- Public Director Certification Program (PDI) 9/2012, King Prajadhipok's Institute
- Anti-Corruption for Executive Program (ACEP) 4/2012, Thai Institute of Directors (IOD)
- Leadership Succession Program (LSP) 1/2013, Institute of Research and Development for Public Enterprises (IRDPE)
- Business Leader Development Program 2014, University of Oxford, UK

Work Experience

- 2014 - Present Executive Vice President, Corporate Strategy and Sustainable Development, Thai Airways International Plc.
Director, Nok Airlines Plc.
Director, Thai Smile Co., Ltd.
- 2010 - Present Director, Nominating and Corporate Governance Committee Director
Bangkok Aviation Fuel Services Plc.
- 2009 - 2014 Executive Vice President, Technical Department, Thai Airways International Plc.
Director,
Don Mueang International Airport Hotel Co., Ltd.

Current Position in Other Companies

Listed companies

- Executive Vice President, Corporate Strategy and Sustainable Development, Thai Airways International Plc.
- Director, Nok Airlines Plc.

Non-listed companies

- 1 Company

Illegal Record

- None



Flying Officer Chalermpon Intarawong (59 years) Director

Starting Date of Directorship 6 November 2014

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor's degree of Science (Mechanical Engineering), Royal Thai Air Force Academy
- Master's degree of Public Administration, The National Institute of Development Administration (NIDA)

Work Experience

- 2014 - Present Director, Bangkok Aviation Fuel Services Plc.
Executive Vice President, Technical Department, Thai Airways International Plc.
Director,
Don Mueang International Airport Hotel Co., Ltd.
- 2009 - 2014 Vice President, Aircraft Maintenance, Thai Airways International Plc.
- 2005 - 2009 Deputy Vice President, Aircraft Maintenance, Thai Airways International Plc.

Current Position in Other Companies

Listed companies

- Executive Vice President, Technical Department, Thai Airways International Plc.

Non-listed companies

- 1 Company

Illegal Record

- None



Squadron Leader Bhurith Sriwatana
(60 years) Director

Starting Date of Directorship 6 November 2014

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor's degree of Science, Aeronautical Engineering, Royal Thai Air Force Academy

Work Experience

2014 - Present	Director, Bangkok Aviation Fuel Services Plc.
2015 - Present	Executive Vice President Operations Department Thai Airways International Plc.
2014 - 2015	Vice President, Flight Operations Department, Thai Airways International Plc.
2012 - 2014	Mission Commander, Flight Operations Department, Thai Airways International Plc.
2010 - 2012	Director, Flight Operations Department, Thai Airways International Plc.
2008 - 2010	Deputy Director, Flight Operations Department, Thai Airways International Plc.

Current Position in Other Companies

Listed companies

- Executive Vice President Operations Department, Thai Airways International Plc.

Non-listed companies

- None

Illegal Record

- None



Mr. Nirandra Theeranartsin (64 years)
Director

Starting Date of Directorship 17 December 2014

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor's degree in Political Science, Chulalongkorn University
- Diploma in Modern Management, Wharton University of Pennsylvania, USA
- Graduate Diploma in Human Resource Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Successful Formulation and Execution of Strategy (SFE) 22/2014

Work Experience

2014 - Present	Director, Bangkok Aviation Fuel Services Plc.
2015 - Present	Director, Airports of Thailand Plc.
2014 - 2015	Director Acting President, Airports of Thailand Plc.
2010 - 2011	Senior Executive Vice President (Regional Airports), Airports of Thailand Plc.
2009 - 2010	General Manager of Suvarnabhumi Airport, Airports of Thailand Plc.

Current Position in Other Companies

Listed companies

- Director, Airports of Thailand Plc.

Non-listed companies

- None

Illegal Record

- None



Mr. Ath Hemvijitraphan (57 years)
Director

Starting Date of Directorship 6 March 2009

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Business Administration, Assumption University
- Master of Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Director Accreditation Program (DAP) 79/2009
- Director Certification Program (DCP) 167/2012

Work Experience

Present	Deputy Country Chairman, The Shell Company of Thailand Limited
2013 - 2015	Executive Director, Commercial Fuel Business, The Shell Company of Thailand Limited
2011 - 2012	Secondary Transport Manager: Thailand, Hong Kong and Philippines, The Shell Company of Thailand Limited
2009 - Present	Director, Bangkok Aviation Fuel Services Plc.
2009 - 2010	General Manager-Distribution: Mekong Cluster, The Shell Company of Thailand Limited
2007 - 2008	General Manager-Supply: Mekong Cluster, The Shell Company of Thailand Limited

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 1 Company

Illegal Record

- None



Mr. Trintr Subakarn (45 years)
Director

Starting Date of Directorship 7 November 2012

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Engineering, Prince of Songkla University
- Master of Business Administration, Chulalongkorn University
- Director Certification Program (DCP) 171/2013

Work Experience

- 2012 - Present Director, Bangkok Aviation Fuel Services Plc.
- 2004 - Present Aviation Operations Manager, Chevron (Thailand) Co., Ltd.

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 1 company

Illegal Record

- None



Mr. Navee Lertphanichkul (67 years)
Director and Nominating and Corporate Governance Committee Director

Starting Date of Directorship 10 May 2002

Shareholding of the Company

- 0.52% (In name of himself and spouse 3,303,750 shares) Increased 749,650 shares in 2015

Relationship with Management

- None

Education / Director Training Program

- Bachelor Degree, Electrical Engineering, Chulalongkorn University
- Cost/Schedule Engineer, Exxon Research and Engineering, New Jersey
- International Management Program, IMD, Switzerland
- Marketing Strategy, Michigan University
- Director Accreditation Program (DAP) 2/2003
- Finance for Non-Finance Director (FND) 7/2003
- Director Certification Program (DCP) 51/2004

Work Experience

- 2015 - Present Managing Director, Napamongkol Co., Ltd.
- 2002 - Present Director and Nominating and Corporate Governance Committee Director Bangkok Aviation Fuel Services Plc.
- 2006 - 2008 Senior Advisor, Purad (Thailand) Co., Ltd.
- Past Director, ESSO (Thailand) Plc. Supply and Distribution Manager, ESSO (Thailand) Plc.

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 1 Company

Illegal Record

- None



Mr. Aswin Kongsiri (70 years)
Independent Director, Chairman of Nominating and Corporate Governance Committee, and Chairman of Risk Management Committee Director

Starting Date of Directorship 22 April 2005

Shareholding of the Company

- 0.008% (In name of himself and spouse 50,000 shares) Increased 30,000 shares in 2015

Relationship with Management

- None

Education / Director Training Program

- B.A. (Honors) in Philosophy, Politics and Economics, Oxford University, England
- Certificate, National Defence College, The National Defence Course for the Joint State-Private Sectors, Class 6
- The Role of Chairman (RCM) 5/2001
- Director Certification Program (DCP) 11/2001

Work Experience

- 2010 - Present Chairman, Thai Orix Leasing Co., Ltd.
- 2008 - Present Chairman, Ton Poh Thailand Fund
- 2005 - Present Independent Director, Chairman of Nominating and Corporate Governance Committee, and Chairman of Risk Management Committee Director Bangkok Aviation Fuel Services Plc.
- 1999 - Present Independent Director and Chairman of the Audit Committee, OHTL Plc.
- 1994 - Present Chairman, Ch.Karnchang Plc.
- 1993 - Present Independent Director and Chairman of the Audit Committee, Thai Reinsurance Plc.



Mr. Pachara Yutidhammadamrong (68 years)

Independent Director, Chairman of Audit Committee and Remuneration Committee Director

1981 - Present	Audit Committee Member, Padaeng Industry Plc.
2011 - 2014	Member of Monetary Policy Committee, Bank of Thailand
2010 - 2012	Chairman, Thoresen Thai Agencies Plc.
2010 - 2012	Governor, The Stock Exchange of Thailand
2001 - 2012	Vice Chairman, Electricity Generating Plc.
Past	Director and Risk Management Committee Member, Krung Thai Bank Plc.

Current Position in Other Companies

Listed companies

- Independent Director and Chairman of the Audit Committee, OHTL Plc.
- Chairman, Ch.Karnchang Plc.
- Independent Director and Chairman of the Audit Committee, Thai Reinsurance Plc.
- Audit Committee Member,
Padaeng Industry Plc.

Non-listed companies

- 1 Company

Illegal Record

- None

Starting Date of Directorship 8 April 2009

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- LL.B., Thammasat University
- Honorary Degree of Doctor of Laws,
Ramkhamhaeng University
- Barrister at Law, Institute of Legal Education
of The Thai Bar
- National Defence Course for the Joint State-
Private Sectors, National Defence College,
Class 399
- Certificate from Naval College
- Director Accreditation Program (DAP) 55/2006
- Audit Committee Program (ACP) 22/2008
- Public Director Certification Program from
Public Director Institute

Work Experience

2014 - Present	Director, Magic Enterprise Co., Ltd.
2013 - Present	Director, Amarin Television Co., Ltd.
2009 - Present	Independent Director and Chairman of Audit Committee, Bangkok Aviation Fuel Services Plc. Director, Thai Aviation Refuelling Co., Ltd.
Present	Sub-committee, Sukhumvit Asset Management Co., Ltd. Director, Office of the Council of State

2005 - 2010	Chairman of the Audit Committee and Independent Director, Krung Thai Bank Plc.
Past	Attorney General, Office of the Attorney, General Deputy Attorney General, Office of the Attorney General Member of National Legislative Assembly Director, Thai Airways International Plc. Director, IRPC Plc. Director, Provincial Electricity Authority

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 4 Companies

Illegal Record

- None



Mr. Visut Montriwat (69 years)
Independent Director, Audit Committee Director,
and Chairman of Remuneration Committee

Starting Date of Directorship 9 November 2006
Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Commerce, Chulalongkorn University
- MBA, Northern Illinois University, USA
- Certificate, National Defence College, Class 38
- Audit Committee Program (ACP) 15/2006
- Directors Certification Program (DCP) 77/2006
- Monitoring the system of Internal Control and Risk Management (MIR) 1/2007
- Role of the Compensation Committee (RCC) 2/2007
- Monitoring of the Quality of Financial Report (MFR) 7/2009

Work Experience

- 2015 - Present Independent Director, Lynn Phillips Mortgage Credit Foncier Co., Ltd.
- 2011 - Present Independent Director and Audit Committee Director, Srivichaivejvivat Plc.
- 2008 - Present Director, Thai Aviation Refuelling Co., Ltd.
- 2006 - Present Independent Director, Audit Committee Director, and Chairman of Remuneration Committee Bangkok Aviation Fuel Services Plc.
- 2013 - 2014 Director, Thai Paiboon Insurance Co., Ltd.
- 2006 - 2011 Independent Director and Member of the Audit Committee, Krung Thai Bank Plc.
- Past Deputy Permanent Secretary, Ministry of Finance Inspector-General, Ministry of Finance Comptroller-General, The Comptroller General's Department, Ministry of Finance Director-General, The Treasury Department, Ministry of Finance

Current Position in Other Companies

Listed companies

- Independent Director and Audit Committee Director, Srivichaivejvivat Plc.

Non-listed companies

- 2 Companies

Illegal Record

- None



Mr. Pipat Purnananda (67 years)
Independent Director, Audit Committee Director,
and Risk Management Committee Director

Starting Date of Directorship 17 April 2013

Shareholding of the Company

- 0.008% (In name of himself 50,100 shares)
Increased 50,100 shares in 2015

Relationship with Management

- None

Education / Director Training Program

- Bachelor Degree of Arts, Business and Administration (Finance), Thammasat University
- Master of Arts (Economics) Western Michigan University, USA
- Workshop on Budgeting in the Public Sector, Harvard University
- National Defence College (NDC 3)
- Director Accreditation Program (DAP) 94/2012
- Director Certification Program (DCP) 172/2013
- Audit Committee Program (ACP) 43/2013
- Financial Statements For Director (FSD) 2/2014

Work Experience

- 2013 - Present Independent Director, Audit Committee Director, and Risk Management Committee Director Bangkok Aviation Fuel Services Plc.
- 2010 - 2013 Independent Director and Audit Committee Director, Solution Corner (1998) Plc.
- Past Deputy Director Bureau of the Budget, Office of the Prime Minister

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 1 Company

Illegal Record

- None



Mr. Peratak Autadej (56 years)
Director

Starting Date of Directorship 5 November 2015

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Science in Technical Education (Electrical Engineering) Rajamangala University of Technology
- MDP3: Level 13-14 Business Management; PTT PLC.
- VP Leadership Development Program; PTT PLC.

Work Experience

- 2015 - present Director, Bangkok Aviation Fuel Services Plc.
- 2015 - present Director, Thai Petroleum Pipeline Co., Ltd.
- 2015 - present Director, PTT Tank Terminal Co., Ltd.
- 2015 - present Vice President Acting Executive Vice President, Petroleum Terminal Operations
- 2011 - 2015 Vice President, Products Transportation
- 2010 - 2011 Vice President, Central Petroleum Terminal
- 2009 - 2010 Senior Petroleum Supply and Trading Officer
- Past Petroleum Terminal Operations Planning Division Manager
Petroleum Supply Operations Division Manager

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 2 Companies

Illegal Record

- None

Management Team



Mr. Prakobkiat Ninnad (59 years)
Managing Director, Director, Remuneration Committee Director, Nominating and Corporate Governance Committee Director and Risk Management Committee Director

Shareholding of the Company

- 0.008% (In name of himself 53,600 shares)
Increased 53,600 shares in 2015

Relationship with Management

- None

Education / Director Training Program

- Bachelor of National Economics and International Relations, University of Stockholm, Sweden
- Intensive Business Profession Program, Faculty of Commerce and Accountancy, Chulalongkorn University
- Aviation Law Seminar, International Aviation Management Training Institute, Canada
- Role of Executive to Internal Control, Risk Management Awareness for Executives, Internal Control, Business & Finance Acumen from Thai Airways International Plc.
- Directors Certification Program (DCP) 193/2014
- Executive Program : Good Governance for Sustainable Development - Institute for Good Governance Promotion

Work Experience

- 2015 - Present Director,
Thai Aviation Refuelling Co., Ltd.
- 2015 - Present Director,
Intoplane Service Co., Ltd.
- 2014 - Present Director and Managing Director,
Bangkok Aviation Fuel Services Plc.
- 2012 - 2013 Director,
Bangkok Aviation Fuel Services Plc.
- 2006 - Present Director,
Fuel Pipeline Transportation Limited
- 2003 - 2014 Vice President, Petroleum,
Corporate Insurance and
Aviation Environment Department,
Thai Airways International Plc.



Mr. Amnuay Pahuvanich (56 years)
Consultant to Executive Chairman

Shareholding of the Company

- None (No shareholding change in 2014)

Relationship with Management

- None

Education / Director Training Program

- Bachelor Degree, Electrical Engineering, Kasetsart University
- Master of Arts (Leadership in Society, Business and Politics), Rangsit University
- Economics in Public Administration for High-Level Administrators - King Prajadhipok's Institute
- Executive Program : Good Governance for Sustainable Development - Institute for Good Governance Promotion
- Director Certification Program (DCP) 96/2007
- Financial Statements for Directors (FSD) 6/2009
- Successful Formulation and Execution of Strategy (SFE) 8/2010

Work Experience

- 2014 - Present Consultant to Executive Chairman,
Bangkok Aviation Fuel Services Plc.
- 2012 - Present Managing Director,
Thai Aviation Refuelling Co., Ltd.
- 2006 - Present Director,
Thai Aviation Refuelling Co., Ltd.
- 1994 - Present Director,
Intoplane Service Co., Ltd.
- 2012 - 2014 Consultant to Managing Director,
Bangkok Aviation Fuel Services Plc.
- 2008 - 2012 Senior Technical Manager,
Bangkok Aviation Fuel Services Plc.



Mr. Ditsapong Prithaveepong (59 years)
Consultant to Executive Chairman and Acting for Business Development & Marketing Director

Shareholding of the Company

- None (No shareholding change in 2015)

Relationship with Management

- None

Education / Director Training Program

- MBA, Commerce and Accountancy Faculty, Chulalongkorn University
- Bachelor of Engineering, Chulalongkorn University
- Director Certification Program (DCP) 108/2008
- Successful Formulation and Execution of Strategy (SFE) 7/2010
- Financial Statements for Director (FSD) 10/2010

Work Experience

- 2015 - Present Marketing Director
Intoplane Service Co., Ltd.
- 2014 - Present Consultant to Executive Chairman and Acting for Business Development & Marketing Director,
Bangkok Aviation Fuel Services Plc.
- 2013 - Present Director,
Fuel Pipeline Transportation Co., Ltd.
- 2011 - Present Director,
Intoplane Service Co., Ltd.
- 2012 - 2014 Consultant to Managing Director,
Bangkok Aviation Fuel Services Plc.
- 2013 Director and Managing Director,
JP-One Asset Co., Ltd.
- 2008 - 2012 Senior Depot Manager,
Bangkok Aviation Fuel Services Plc.



Mr. Tawin Saiwaew (59 years)
Senior Aviation Refueling Director

Shareholding of the Company

- None (No shareholding change in 2015)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Arts, General Management, Dhonburi Rajabhat University
- Master of Management, Mahidol University
- Director Certification Program (DCP) 131/2010
- Financial Statement for Directors (FSD) 10/2010
- Successful Formulation and Execution of Strategy (SFE) 13/2011

Work Experience

2014 - Present Senior Aviation Refueling Director
Bangkok Aviation Fuel Services Plc.

2010 - Present Director, Thai Aviation Refuelling Co., Ltd.

2009 - 2014 Senior Aviation Refuelling Manager,
Bangkok Aviation Fuel Services Plc.

Past Aviation Refuelling Manager,
Bangkok Aviation Fuel Services Plc.
Depot Manager,
Bangkok Aviation Fuel Services Plc.



Mr. Nattapol Narkuam (48 years)
Technical Director

Shareholding of the Company

- None (No shareholding change in 2015)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Industrial Technology,
Major in Mechanical Engineering,
Siam University

Work Experience

2014 - Present Technical Director,
Bangkok Aviation Fuel Services Plc.

2012 - 2014 Technical Manager,
Bangkok Aviation Fuel Services Plc.

Past Deputy Technical Manager,
Bangkok Aviation Fuel Services Plc.



Mr. Manob Pulsombulpol (57 years)
Depot Director

Shareholding of the Company

- None (No shareholding change in 2015)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Science Industrial Technology,
Phranakorn Rajabhat University

Work Experience

2014 - Present Depot Director,
Bangkok Aviation Fuel Services Plc.

2012 - 2014 Depot Manager,
Bangkok Aviation Fuel Services Plc.

2012 Deputy Depot Manager,
Bangkok Aviation Fuel Services Plc.

Past Control Room and
Maintenance Supervisor,
Bangkok Aviation Fuel Services Plc.



Mr. Peraporn Chobchuen (59 years)
Human Resources & Administration Director

Shareholding of the Company

- None (No shareholding change in 2015)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Arts : Political Science, Ramkhamhaeng University
- Master of Business Administration, Kirk University

Work Experience

- | | |
|----------------|--|
| 2014 - Present | Human Resources & Administration Director, Bangkok Aviation Fuel Services Plc. |
| 2012 - 2014 | Human Resources & Administration Manager, Bangkok Aviation Fuel Services Plc. |
| Past | Deputy Human Resources & Administration Manager, Bangkok Aviation Fuel Services Plc.
Information Technology Supervisor, Bangkok Aviation Fuel Services Plc. |



Mrs. Mayuree Nalinwong (52 years)
Position Director, Internal Audit Office

Shareholding of the Company

- 0.006% (in name of herself 37,500 shares)
Increased 7,500 shares in 2015

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Accounting, Thammasat University
- MBA, Ramkhamhaeng University
- Certificate of Business Management for Internal Audit from Federation of Accounting Professions
- Anti - Corruption : The Practical Guide from Thai Institute of Directors (IOD)
- Monitoring the Quality of Financial Reporting from Thai Institute of Directors (IOD)
- Verifying the CAC Checklist : Experience Sharing from Auditors from Federation of Accounting Professions and Thai Institute of Directors (IOD)
- Framework of Internal Control System from Federation of Accounting Professions
- Fraud Auditing from Federation of Accounting Professions
- CG Forum 2/2015 Board and Management with Internal Control from the Stock Exchange of Thailand, Federation of Accounting Professions and the Institute of Internal Auditors of Thailand.
- Internal control and Risk Management from Pricewaterhouse Coopers ABAS Ltd.
- Preparation and Presentation of Received and Disbursement for the Project which State Agency is contract parties from Office of the National Anti-Corruption Commission
- Several Issues for Audit Committee from EY Office Limited

Work Experience

- | | |
|----------------|--|
| 2014 - Present | Director, Internal Audit Office, Bangkok Aviation Fuel Services Plc. |
| 2012 - 2014 | Executive of Internal Audit, Bangkok Aviation Fuel Services Plc. |
| 2000 - 2012 | Executive Assistant of Internal Audit, Bangkok Aviation Fuel Services Plc. |



Miss Saowapak Jungpattanaphong (54 years)
Director, Quality Safety Health and Environment Office

Shareholding of the Company

- 0.018% (In name of herself 116,250 shares)
Increased 23,250 shares in 2015

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Accountancy (Accounting) Commerce and Accountancy Faculty, Chulalongkorn University
- MBA, Commerce and Accountancy Faculty, Chulalongkorn University

Work Experience

2015 - Present	Director, Quality Safety Health and Environment Office, Bangkok Aviation Fuel Services Plc.
2009 - 2015	Assistant Director, QSHE Office, Bangkok Aviation Fuel Services Plc.
Past	Senior Stock Control Supervisor Bangkok Aviation Fuel Services Plc.



Miss Suwipa Sukcharoenchok (58 years)
Finance & Accounting Director

Shareholding of the Company

- 0.00% (In name of herself 5,735 shares)
Increased 2,675 shares in 2015

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Business Administration, Ramkhamhaeng University
- Director Accreditation Program (DAP) 116/2015

Work Experience

2015 - Present	Director, Intoplane Services Co., Ltd.
2015 - Present	Finance & Accounting Director, Bangkok Aviation Fuel Services Plc.
2014 - 2015	Deputy Finance & Accounting Director, Bangkok Aviation Fuel Services Plc.
1995 - 2013	Deputy Finance & Accounting Manager, Bangkok Aviation Fuel Services Plc.
Past	Finance & Accounting Supervisor Division Thai Aviation Refuelling Co., Ltd. Accounting Supervisor Bangkok Aviation Fuel Services Plc.



Miss Yuphadee Tongaroonsri (42 years)
Don Mueang and Regional Airport Director

Shareholding of the Company

- 0.003% (In name of herself 20,625 shares)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Science, Chiang Mai University
- Master of Management, Mahidol University College of Management

Work Experience

2015 - Present	Director, Intoplane Services Co., Ltd.
2015 - Present	Don Mueang & Regional Airport Director Bangkok Aviation Fuel Services Plc.
2013 - 2015	Deputy Don Mueang & Regional Airport Director Bangkok Aviation Fuel Services Plc.
2012 - 2013	Deputy Don Mueang & Regional Airport Manager Bangkok Aviation Fuel Services Plc.
2011 - 2012	Senior Quality Control Supervisor Bangkok Aviation Fuel Services Plc.
Past	Quality Control Supervisor Bangkok Aviation Fuel Services Plc.

Policy and Business Overview



Bangkok Aviation Fuel Services Public Company Limited (BAFS) mainly operates aviation fuel services, including aviation fuel depot and fuel pipeline service and aircraft refuelling service at Suvarnabhumi Airport, Don Mueang Airport. As well, the Company serves three regional airports which are Samui Airport, Sukhothai Airport and Trad Airport. Additionally, the Company has shares holding in subsidiaries which run business through aviation fuel storage, fuel pipeline service and refuelling services for supporting and strengthening sustainably growth in fuel services for all related group companies including:

1. Thai Aviation Refuelling Company Limited (TARCO), offering hydrant pipeline network at Suvarnabhumi Airport.
2. Pipeline Transportation Limited (FPT) services embrace the provision of aviation fuel depot and multi-product fuel pipeline service, starting from Bangchak Refinery and oil depot in Chongnonsi area further to Don Mueang Sub-station terminating at the Bang Pa-in on ground depot. Including Makkasan fuel pipeline to Suvarnabhumi Sub-station. Moreover, in 2016 has started investment in the Northern Route Fuel Pipeline Expansion Project for multi-product according to National Energy Policy Council Committee resolutions which determined that the Project would be advantageous for government section and supported national energy stability section.
3. Intoplane Service Company Limited (IPS), delivering into-plane fueling service at Samui Airport, Sukhothai Airport and Trad Airport through subcontractor.

BAFS is the public company that is reliance by shareholders from Focusing on Intergraded excellent result of operation which the Company has been able to contribute dividend payment to shareholders regularly.

Our business overviews and experiences of aviation refuelling management for 30 years with international standard service reflected that BAFS is certified as approved training center for aviation refuelling quality inspection from IFQP (IATA Fuel Quality Pool). These shown that the clients comprised of oil companies and airlines having trust in professional services of the Company. In addition, the Company runs business with Corporate Governance and concerns the conservation of environment by collecting Greenhouse Gas emission volume in the Company since 2013 to the present with surveillance from Excellence Center of Eco-Energy (ECEE) Faculty of Engineering, Thammasart University. The Company accomplished the 2013 - 2017's vision "Green Energy Services" in 2015 which is achieved ahead of time.



The Stock Exchange of Thailand (SET) assisted all public companies designated sustainable growth followed by 3 perspectives consist of economic, social and environment sustainability, Meanwhile for these reasons, the Company's executives have responded to initiate the new 5 year-strategic map (2016 - 2020). Some operations take partly continuity from previous issue to enhance quality and safety which are the most important in aviation refuelling service while the newly strategic added part are concerned to sustainability development framework in Global Reporting Initiative (GRI) together with a main campaign of the Company to educate its staff through master plan of Knowledge Management in order to accomplish the vision "Sustainable Development in Energy Services with Awareness of Quality Safety and Environment" within 2020. The main strategies as below.

Quality and Safety Strengthen Strategy, continued from 2013 - 2015's plan

The Company aims to maintain good relationship with oil companies and the Thai Airways International Public Company Limited, the latter of whom is customer and also a major shareholder of the Company with making reliability of providing safe services which not only meet international standards but also are punctual as our services are delivered right to aircrafts which commute tremendous volume of passengers Therefore, fatal accidents or delay can definitely damage the reputation of airlines who are key customers of oil companies. The following Effectiveness of Corporate Management Strategy consists of Core Value plan with shared value continuously intensive quality and safety. Also, the Company is emphasizing operations for being corporate culture, continuing of Knowledge Management concept and to be a Training Center and Fuel Facility consult in 2020.

Sustainability Development Framework Strategy in Global Reporting Initiative (GRI)

The Company concentrates operation basing on the sustainability development thoughts consist of 3 responsibilities toward economic, society and environment reported in sustainability of GRI with Corporate Social Responsibility (CSR) and Corporate Governance Strategy. The Company has designed sustainable master plan 5-year (2016 - 2020) with focusing on being a Carbon Neutral Company. In this regard, the Company has appointed the Corporate Sustainable Development Committee consisting of Senior Executive of both the Company and subsidiaries, in order to supervise and monitor that all pursuance followed requirements of the Sustainability Development Framework throughout the group of Company, the Company has always concerned good corporate governance operation which is awarded for the Listed Company of Thailand in excellent scoring (CG Scoring- Excellent) 7-year consecutively. As well, the Company gets awarded of top 50 ASEAN PLCs in ASEAN CG SCORECARD 2015 project.

Thus, with the integration of mentioned strategies and the pursuance of Performance Management System of the Company and subsidiaries using Key Performance Indicators: KPIs in Balanced Scorecard principle with following the goals from Strategy Map. The management is confident that the Company and subsidiaries will grow with sustainability.

Revenue Structure

Revenue of the Company is derived from following detail as:

1. Income from aviation fuel storage service, aviation refuelling service, aviation fuel transfer via hydrant pipeline system and fuel transportation via pipelines services.
2. Income from property leasing and
3. Other income

Table Showing the Company's Yearly Revenue Structure (by Business Categories) From year 2013 to year 2015

(unit : million bath)

Revenue Type	Operated by	% of shareholding of the Company	Year 2013		Year 2014		Year 2015	
			Amount	percentage	Amount	percentage	Amount	percentage
1. Service income	BAFS		1,807.63	57.68	1,821.89	60.23	2,062.75	61.40
	TARCO	90%	614.78	19.62	582.94	19.27	602.32	17.93
	JP-One	2556 : 92.5% ^{1/} 2557-58 : 0 %	137.11	4.38	13.79	0.46	-	-
	FPT	2556 : 90.72 % ^{1/} 2557-58 : 91.55 %	201.79	6.44	562.38	18.59	662.79	19.73
2. Property leasing income	BAFS		21.67	0.69	10.92	0.36	11.15	0.33
	TARCO	90%	-	-	-	-	-	-
	JP-One	2156 : 92.5% ^{1/} 2557-58 : 0 %	15.23	0.49	1.20	0.04	-	-
	FPT	2156 : 90.72 % ^{1/} 2557-58 : 91.55 %	-	-	0.40	0.01	0.76	0.02
3. Flood compensation	BAFS		17.35	0.55	-	-	-	-
4. Profit from merger			76.15	2.43	-	-	-	-
5. Reversal of allowance for doubtful accounts			123.77	3.95	-	-	-	-
6. Other income ^{2/}			118.23	3.77	31.32	1.04	19.87	0.59
Total revenue			3,133.71	100	3,024.84	100.00	3,359.64	100.00

Remark ^{1/} On February 1st, 2014, Fuel Pipeline Transportation Limited (FPT) received entire business transfer from JP-One Asset Co., Ltd. (JP-One). FPT issued ordinary share for 24,278,941 shares with par value at 5 baht per share, totaled 121,394,705 baht and allotted to JP-One to repay for its entire business transfer to FPT. On February 3rd, 2014, FPT increased its registered capital to be 260,667,560 baht. Such entire business transfer resulted in changing of shareholding proportion of BAFS in FPT by increasing from 90.72% to be 91.55%

On February 3rd, 2014, JP-One registered dissolution with the Ministry of Commerce. Later on November 7th, 2014, JP-One transferred its shareholding proportion in FPT to BAFS for 22,458,041 shares and to Bangkok Insurance Public Company Limited for 1,820,922 shares. Then, JP-One registered completeness of liquidity with the Ministry of Commerce on November 27th, 2014.

^{2/} Other income comprised income from other service providing including profit (loss) from exchange rate and interest income.

In year 2015, total revenue of the Corporate Group was 3,359.7 million baht, which increased for 334.9 million baht and equaled to 11.1% comparing to previous year which its total amount was 3,024.8 million baht. Meanwhile, revenue derived from service providing totaled 3,327.9 million baht which increased for 346.9 million baht or 11.6%. Other income amount was 31.8 million baht, which decreased for 12.0 million baht or 27.4%. The significant decrease of other income was mainly caused by adjustments in effective rate of interest income in accordance with accounting standard and declining of interest income from investments.



Performance Summary of Year 2015

1. Aviation Fuel Storage

Suvarnabhumi Airport

In year 2015, BAFS had processed to store up Jet A-1 fuel for refuelling in 4 fuel storage tanks with 60 million liters¹⁾ capacity at Suvarnabhumi Aviation Fuel Storage Station (BKK - Depot). The fuel reserved volume was approximately 4 times of aircraft refuelling volume daily.

For Jet A-1 fuel received from all oil companies was 4,365.2 million liters wholly. It was received via pipelines of Fuel Pipeline Transportation Limited (FPT) and Thai Petroleum Pipeline Co., Ltd. (Thappline) for 1,673.4 million liters and 2,691.8 million liters respectively, which represents a ratio of FPT: Thappline at 38: 62.

Performance Summary at Suvarnabhumi Aviation Fuel Storage Station (BKK - Depot)	Year 2015 (Million Liters)	Year 2014 (Million Liters)	Increase (Decrease) %
Total volume of fuel receiving	4,365.2	4,199.4	3.9
Average volume of fuel receiving per day	12.0	11.5	3.5
Average volume of fuel received from FPT per day	4.6	4.0	15.0
Average volume of fuel received from Thappline per day	7.4	7.5	(1.3)

Remark 1) As of January 2016, there were 8 fuel storage tanks at Suvarnabhumi Aviation Fuel Storage Station with total capacity of 105 million liters. Fuel Pipeline Transportation Limited (FPT), which is BAFS's subsidiary, has rent 3 of them altogether.

Don Mueang Airport

In year 2015, BAFS had processed to store up Jet A-1 fuel for refuelling in 3 fuel storage tanks with total capacity of 21 million liters at Don Mueang Aviation Fuel Storage Station (DMK - Depot). Jet A-1 fuel was received via pipelines of Fuel Pipeline Transportation Limited (FPT) and Thai Petroleum Pipeline Co., Ltd. (Thappline) for 552.8 million liters and 648.1 million liters respectively, which represents a ratio of FPT: Thappline at 46: 54.

Performance Summary at Don Mueang Aviation Fuel Storage Station (DMK - Depot)	Year 2015 (Million Liters)	Year 2014 (Million Liters)	Increase (Decrease) %
Total volume of fuel receiving	1,200.9	810.2	48.2
Average volume of fuel receiving per day	3.3	2.2	50.0
Average volume of fuel received from FPT per day	1.5	1.0	50.0
Average volume of fuel received from Thappline per day	1.8	1.3	38.5

2. Aviation Fuel Services

2.1 Aircraft Refuelling Service

Suvarnabhumi Airport

JET A-1

Jet A-1 refuelling service was provided all together for 3,769 million liters or 314 million liters per month by average. It was provided to 145,501 flights in total or 12,125 flights per month.

Don Mueang Airport

JET A-1

Jet A-1 refuelling service was provided all together for 925 million liters or 77 million liters per month by average. It was provided to 111,289 flights in total or 9,274 flights per month.

AVGAS

AVGAS refuelling service was provided all together for 129,414 liters or 10,785 liters per month by average. It was provided to 916 flights in total or 76 flights per month.

2.2 Aircraft Defuelling Service

Suvarnabhumi Airport

Jet A-1 defuelling service was provided to airlines all together for 1.21 million liters or 0.10 million liters per month by average. It was provided to 73 flights in total or 6 flights per month.

Don Mueang Airport

Jet A-1 defuelling service was provided to airlines all together for 1.00 million liters or 0.08 million liters per month by average. It was provided to 102 flights in total or 9 flights per month.

2.3 Number of Flight to be Serviced

In year 2015, number of flights from airlines for into-plane service at Don Mueang Airport and Suvarnabhumi Airport was 256,790 flights, which increased from year 2014 for 217,042 flights. These figures represent its growth rate at 18.3%. Meanwhile, the fuel volume provided for aircraft refuelling at both airports was 4,694.2 million liters, which increased from year 2014 for 4,298.8 million liters, representing its growth rate at 9.2%, when compared to the previous year.

Flight	Year 2015	Year 2014	Increase (Decrease) %
At Suvarnabhumi Airport			
Domestic Flight			
Number of Flights	35,524	34,634	2.6
Fuel Volume (Million Liters)	272.1	269.3	1.0
International Flight			
Number of Flights	109,977	98,013	12.2
Fuel Volume (Million Liters)	3,496.8	3,392.5	3.1
At Don Mueang Airport			
Domestic Flight			
Number of Flights	79,541	61,115	30.1
Fuel Volume (Million Liters)	523.0	398.3	31.3
International Flight			
Number of Flights	31,748	23,280	36.4
Fuel Volume (Million Liters)	402.3	238.7	68.5
Total			
Number of Flights	256,790	217,042	18.3
Fuel Volume (Million Liters)	4,694.2	4,298.8	9.2

Summary of Business Changing



The Services

BAFS's major business is to provide aviation fuel services including aviation fuel facilities and into-plane fuelling services at 5 airports: Suvarnabhumi Airport, Don Mueang International Airport, Samui Airport, Sukhothai Airport and Trat Airport (commenced on March 1st, 2015). Our scope of services consists of:

1. Airport fuel storage service.
2. Hydrant system service.
3. Into-plane fuelling service.

In addition, BAFS also invested in multi-product fuel pipeline transportation operated by Fuel Pipeline Transportation Limited (FPT). Moreover, BAFS has income from property rentals and utility services which related to its major business. In 2015, significant changes are as follows:

1. Airport fuel storage service

BAFS has been operating aviation fuel storage stations to serve all fuel suppliers at the airports. The fuel suppliers are responsible for the supply and delivery of certified jet fuel to the storage facilities due to percentage of sales volume. The fuel suppliers shall provide jet fuel as reserved working stock with sufficient volume to refuel its airline customers.

In 2015, the Aviation Fuel Storage Station at Suvarnabhumi, Don Mueng and Regional has changed as follow:

1) Suvarnabhumi Aviation Fuel Storage Station

BAFS has invested in the airport fuel facilities outside airport boundary in Bang Saothong district, Samut Prakarn province. Therefore, the operation can continue sustainably without limitation of airport concession period. The airport fuel facilities consists of 11 hydrant pumps with maximum capacity of 5,500 cubic meters per hour to transfer aviation fuel into hydrant system for aircraft refuelling by dispensers.

BAFS's airport fuel facilities is the only one connected directly to hydrant system of Thai Aviation Refuelling Company Limited (TARCO), one of BAFS's subsidiaries that has been granted a concession agreement from AOT to operate hydrant system at Suvarnabhumi Airport. In 2015, there are 4 fuel storage tanks with 15 million liters capacity each, 60 million liters in total. According to the average daily sales at 11.9 million liters per day, there was 4 days working stock for sales.

As continuous growth of global aviation has yet to rise every year and Suvarnabhumi Airport expansion projects where the Midfield Satellite and the third runways will be completed in 2019, together with new passenger terminal that can accommodate up to 80 million passengers will be completed in 2020. To support airport growth, BAFS has installed a new tank of 15 million liters capacity which will increase reserved stock to 75 million liters in total. In early 2016. Currently, even if the demand has not yet rise to use the full storage capacity or the airport demand may not grow as expected. The available space can be rented out to generate income.

Moreover, there are 3 more fuel tanks in BAFS's area owned by FPT (BAFS's affiliated company), in total capacity of 30 million liters. Therefore, Suvarnabhumi airport fuel facilities has reserved the grand total of 105 million liters and receive through pipeline system from FPT and THAPPLINE (Thai Petroleum Pipeline Company Limited).

2) Don Mueang Aviation Fuel Storage Station

At Don Mueang International Airport, there are 3 aviation fuel tanks with total capacity of 21 million liters that can actually be delivered as sales volume for 18 million liters, together with 2 hydrant pumps capacity of 270 cubic meters per hour and 1 jockey pump capacity of 70 cubic meters per hour. In 2015, Don Mueang International Airport aviation fuel facilities receives jet fuel from 2 pipeline sources -FPT and THAPPLINE- with the average daily sales of 2.5 million liters which makes the reserved volume last for about 7.2 days. Moreover, according to the government's policy that urge Don Mueang International Airport to adapt dual airports system and become the main hub for Low-Cost Carrier which actually assist an increase in number of flights and passengers. As such, BAFS planned to reverse back the rented diesel tank to reserve jet fuel which will increase the reserved stock to 31 million liters.

3) Regional Aviation Refuelling Station

Recently BAFS officially opened its refuelling services at Trat Airport managed and operated by Bangkok Airways PCC as well as Samui and Sukhothai airports. At Trat Airport, BAFS has built the same size of jet fuel tank as Sukhothai Airport since the average sales volume per day is slightly less, hence the jet fuel transported by tank truck then will be stocked in a skid tank of 25,000 liters which is sufficient for services. Unlike Sumui Airport which located on the Island, the jet fuel is transported from Surat Thani province by tank truck and ferry to airport depot. BAFS has 1 million liter capacity tank to ensure that the airports being served sufficiently in case of natural disaster such as rainstorm which may cause ferry service interruption.

In 2015, the average sales volume at Samui Airport is about 63,000 liters per day with capacity of 1 million liter, resulted in the reserved stock of 11 - 12 days.

2. Into-plane fuelling service

The concession by airport authority or airport operator for into-plane fuelling, although the grant does not guarantee the continuity of operation but it was beneficial to competition. Because the number of the into-plane operator was limited and also prevented the new competitor entering to provide service compared to other businesses. Besides the concession and investment scale, there are no other business constraints affected to refuelling business.

1) Suvarnabhumi Airport

BAFS is one of the two into-plane service providers under concession at Suvarnabhumi Airport for 20 years. BAFS has been operating since the airport officially opened on September 28, 2006. Currently, there are 9 fuel suppliers at Suvarnabhumi Airport after Bangchak Petroleum Public Company Limited left in 2014 and jet A-1 is only one type of fuel that BAFS receive from fuel suppliers for aircraft refuelling.

Suvarnabhumi Airport was designed to operate by hydrant system which lies underneath the apron throughout the airport. BAFS provides dispensers for refuelling service and refuellers for defuelling service.

After AirAsia Group relocated its service hub from Suvarnabhumi Airport to Don Mueang International Airport. This is not only reduce congestion for the airport but also provide greater benefit to into-plane services. Because most of LCCs are short haul and domestic flights with significant growth in frequency but refuel with lower volume than long haul flight. After the relocation, AirAsia Group has expanded its aircraft fleet, route and increased traffic whereas Suvarnabhumi Airport has gained back opportunity to serve more long haul or intercontinental flights which refuel with higher volume per flight.

Number of flights and Jet A-1 refuelling volume (BAFS) At Suvarnabhumi Airport from 2013 - 2015

Year	Number of Aircrafts (Flights per Year)	Refuelling Volume (Million Liters per Year)
2015	145,501	3,769
2014	132,647	3,662
2013	136,902	3,883

2) Don Mueang Into-plane Refuelling Station

At Don Mueang International Airport, BAFS was approved by the Cabinet' resolutions to operate aircraft refuelling services as a sole service provider to support airport and to enhance refuelling services in line with the international standards and also brings a benefit to reinforce the national security of the energy. In addition, the aviation fuel storage station is responsible for storing the sufficient reserved stock to ensure that all fuel suppliers transfer the jet fuel into airport fuel facilities in order to serve the demand of every flights for all airlines.

In 2015, there were 9 fuel suppliers who supplied Jet A-1 at Don Mueang International Airport as well as Suvarnabhumi Airport. In addition to Jet A-1, BAFS has also provided the AVGAS refuelling services for a few flights only at Don Mueang International Airport.

BAFS provides both dispensers and refuellers. The refuellers are used for refuelling at remote parking area for instance cargo which is unserviceable by hydrant system and the refuellers are also used for defuelling service.

After AirAsia Group, a Low-Cost Carrier which operates both domestic and international flights, has relocated its operation to Don Mueang International Airport since October 1, 2012 that resulted in the higher throughput volume. In 2015, BAFS handled in average of 305 flights per day and refuelled 2.5 million liters per day. As the traffic movement increased, BAFS has expanded the number of dispensers and employees to ensure on time service all through airport. In 2015, BAFS has operated with 16 dispensers, 8 refuellers, and 58 well-trained employees for 24 hours.

To ensure efficiency services and support airport growth in 2016, BAFS planned to increase 4 more dispensers and 1 refueller to be totally 20 dispensers and 9 refuellers in fleet. BAFS also planned to hire 25 more employees to have the total of 83 employees and rent 18 more hydrant bays from the AOT to cope with rising capacity.

Number of flights and Jet A-1 refuelling volume (BAFS) At Don Mueang International Airport from 2012 - 2015

Year	Number of Aircrafts (Flights per Year)	Refuelling Volume (Million Liters per Year)
2015	111,289	925
2014	84,395	637
2013	68,219	503

3) Regional Aviation Refuelling Station

BAFS is a sole refuelling service provider at three regional Samui, Sukhothai, and Trat Airports. BAFS was granted by Bangkok Airways Public Company Limited (BA) to service every flights for all airlines and Currently,

PTT Public Company Limited (PTT) is the 1 out of 9 fuel suppliers who sales and supplies Jet A-1 at the airports. BAFS uses only refuellers for servicing both refuelling and defuelling because of low traffic movement.

Bangkok Airways planned to expand its aircraft fleet and enhance fleet efficiency to support continual growth of Samui Airport. BAFS uses 5 refuellers to operate the service in line with a trend accordingly. Whereas Sukhothai Airport and Trat Airport, BAFS operates with 1 refueller at each airport which is sufficient to cover traffic movement.

3. Hydrant Pipeline Network

Jet A-1 fuel from airport depot was distributed through hydrant pumps into the hydrant pipelines network which lied underneath the apron and spreading throughout the aircraft parking area and then to each of hydrant pits. The Jet A-1 fuel is delivered from hydrant pit to aircraft by hydrant dispenser. These vehicles are provided with metering, filter water separator, and also equipped with pressure controls to regulate the suitable fuel flow into the aircraft. Moreover, the hydrant system is specifically designed with Hydrant Control System, Leakage Monitoring System, and the Hydrant Emergency Shutdown Button System (ESB) to assure the safety and service efficiency.

1) Hydrant System at Suvarnabhumi Airport

Hydrant system at Suvarnabhumi Airport operated by BAFS's subsidiary; Thai Aviation Refuelling Company Limited (TARCO). TARCO has granted 30 years concession from AOT to construct hydrant system that connected with BAFS's fuel facilities, and spreading throughout the aircraft parking area of 119 bays.

According to Suvarnabhumi Airport expansion project phrase 2, TARCO has granted to invest and operate hydrant system on the existing 30 years concession. TARCO construction is expected to be completed in February 2017.

2) Don Mueang International Airport

Hydrant system at Don Mueang International Airport invested by Airports of Thailand (AOT), BAFS has rented to operate as a sole service provider and has been responsible for maintenance. The hydrant rental is based on the number of aircraft parking bays where the hydrant pits are installed for refuelling service. Recently, the government has undertaken Dual Airport policy by operating Don Mueang International Airport as LCCs hub for short haul flights contributed to high traffic movement but less refuel volume per flight and also requires fast refuelling service due to short period of turnaround time. In 2015, BAFS has increased the rental number of hydrant parking bays to 38 out of 74 bays to service with dispensers and planned to rent 18 more hydrant bays in 2016 and all the remaining hydrant bays later on within 3 years to cope with rising capacity.

4. Assets and Infrastructure Rental

Besides aviation refuelling businesses, BAFS is also earning from related aviation refuelling businesses by renting out fuel receiving pipeline service system to FPT and THAPPLINE that use BAFS's property and system for their fuel pipeline transportation businesses. In addition, BAFS has other income from assets rental and its related utility service.

BAFS's aviation fuel storage stations at Suvarnabhumi Airport and Don Mueang International Airport receive fuel from two supply lines as follows;

- (1) FPT transfers Jet A-1 fuel from Bangchak refinery and Chevron and Shell terminals located in Chong Nonsri. BAFS generates income from pipeline transportation and land rental.
- (2) THAPPLINE transfers fuel from refineries located in Chonburi and Rayong provinces. BAFS generates revenue from land rental and utilities service.

The Volume of Jet A-1 Reception Transferred through Pipeline System From 2013 - 2015

Year	Suvarnabhumi		Don Mueang		Total	
	FPT	THAPPLINE	FPT	THAPPLINE	FPT	THAPPLINE
2015	1,670.9	2,688.1	551.6	646.9	2,222.5	3,335.0
2014	1,458.7	2,736.6	346.6	461.2	1,805.3	3,197.8
2013	1,594.4	2,836.5	400.3	304.3	1,994.7	3,140.8

Unit: million liters at observed temperature

Nature of Business in the Past Year

In 2015, BAFS has adapted to be in line with the Airports of Thailand Public Company Limited (AOT) dual-airport policy which to transform Don Mueang International Airport into a second international gateway alongside Suvarnabhumi.

Don Mueang International Airport currently becomes the main Low-Cost Carriers hub (LCCs) which growth was significant accelerated in the number of both passengers and flights from previous year. Also the growth was contributed from launching new Bangkok-based long-haul LCCs in 2015. Therefore, the AOT began the Don Mueang International Airport development project to increase the airport capacity from 18.5 million passengers per year to 30 million passengers per year. As part of an overall upgrade of Don Mueang, the newly-built Terminal 2 which opened since December 24, 2015 is dedicated to serve only domestic flights whereas Terminal 1 will later undergo an improvement to serve international flights.

In 2015, BAFS as a sole into-plane service at Don Mueang International Airport handled 111,391 flights, an increase of 32% and refuelled 926.3 million liters of Jet A-1, increased by 45% compared to last year. Due to the increasing number of flights, the 16 dispensers were provided to serve at hydrant system serviceable area covered 36 aircraft parking bays, and together 8 refuellers were provided for servicing at remote parking bays. To ensure efficiency services and support airport growth, BAFS planned to increase 4 more dispenser, 1 refueller and also rent 18 more hydrant bays from the AOT in 2016.

Suvarnabhumi Airport has been designed with the capacity to accommodate 45 million passengers per year when it was officially operational in September 2006, while the number of actual passengers using its service was increased to 52 million in 2015 even most of low-cost carriers (LCCs) have relocated their operations to Don Mueang International Airport in 2013, but the number has yet to rise every year. For refuelling operations result in 2015, BAFS as one of the two into-plane agent at Suvarnabhumi Airport handled 145,574 flights, a 10% increase and refuelled 4,359.5 million liters of Jet A-1, a 3% increase from the previous year. BAFS have 38 dispensers and 2 refuellers, to provide 24 hours service.

To cope with capacity constraint, AOT therefore began the Suvarnabhumi Airport Development Project to increase the airport capacity from 45 million to 80 million passengers per year which will significantly reduce the congestion of passengers and increasing number of flights. The project includes the Midfield Satellite building, the third runway, and the new terminal which scheduled for completion in 2018. To support the growth of aviation industry and Suvarnabhumi Airport Development Project, BAFS has built a new Jet A-1 tank of 15 million liters in 2015 which has increased the total capacity from 60 million liters to 75 million liters by 2016.

In addition, BAFS was awarded as a sole aviation fuel storage and aircraft refuelling provider at Trat Airport by Bangkok Airways Public Company Limited (BA) and commenced the operations since 2015. Trat Airport was the fifth international airport and the third regional airport that BAFS has expanded its service.

BAFS' major marketing policy of the past year.

1. Target Customer

BAFS focuses on using Into-wing model agreement with the fuel suppliers to provide refuelling services for all the airlines operating at Suvarnabhumi Airport, Don Mueang International Airport, Samui Airport, Sukhothai Airport, and Trat Airport. The Into-wing Contract is made between airlines and suppliers, which terms and conditions set to apply cover jet fuel price, transportation fee, taxes, fuel supplier margin, and also refuelling service fee. In 2015, BAFS was the market leader at Suvarnabhumi Airport with 86.5% market share. BAFS services to all airlines for all destinations complied with the international standards in accordance with fuel supplier advice.

Marketing strategies focus on being the into-plane agent providing reliable services, on-time services, and delivery the certified quality of jet fuel with highest safety complied with the international standards to prevent complaints or any occurrence of flight delays.

BAFS conducts Customer Satisfaction Survey every year as well as customer relations representatives were set up to be responsible for strengthen relationship and gather feedbacks by visiting fuel suppliers and airline customers regularly to ensure that all complaint will be promptly clarified. Moreover, BAFS provides fuel allocation and sales stock report on internet web-based which daily update with accuracy. Information of all customers will be strictly kept confidentially in accordance with code of conduct.

2. Competitive Strategies

BAFS's business philosophy is to deliver the service compliance with international standards, punctuality, and highest safety. In addition, there are other strategies BAFS use to compete in the market as follows;

(1) Service With International Standards

BAFS operates complying with Aviation Fuel Quality Control & Operating Standards for Into-Plane Fuelling Services (JIG 1) and Aviation Fuel Quality Control & Operating Standards for Airport Depots & Hydrants (JIG 2), issued by the Joint Inspection Group (JIG) endorsed by International Air Transport Association (IATA) which required for jointly operated system.

Furthermore, BAFS has implemented safety practice in accordance with ISO (International Organization for Standardization) 9001 and OHSAS (Occupational Health and Safety Assessment Series) 18001. Therefore, all airlines can be ensured that the quality of fuel shall meet the customer requirements.

(2) Service Quality Assurance

BAFS shall ensure prompt refuelling of airline scheduled flights by providing technology and equipment in line with world class airports as well as well-trained employees. At this point, BAFS is well recognized from all airlines as a result of highest safety and fuel quality control complied with international standards.

(3) Competitive Pricing

The into-plane service fees at Suvarnabhumi Airport is set up in reference to the competitive market rate which are top international airports in Asia. For service fees at Don Mueang International Airport is driven by operating costs of hydrant system, airport depot, and into-plane operations.

(4) Safety Awareness

At all time, BAFS has not been reported any severe incident from servicing to aircrafts. BAFS is highly concerned on occupational health, safety, and workplace environment. BAFS focuses on safety policy to control and prevent incidents and strengthen airline confidence in safety of services.

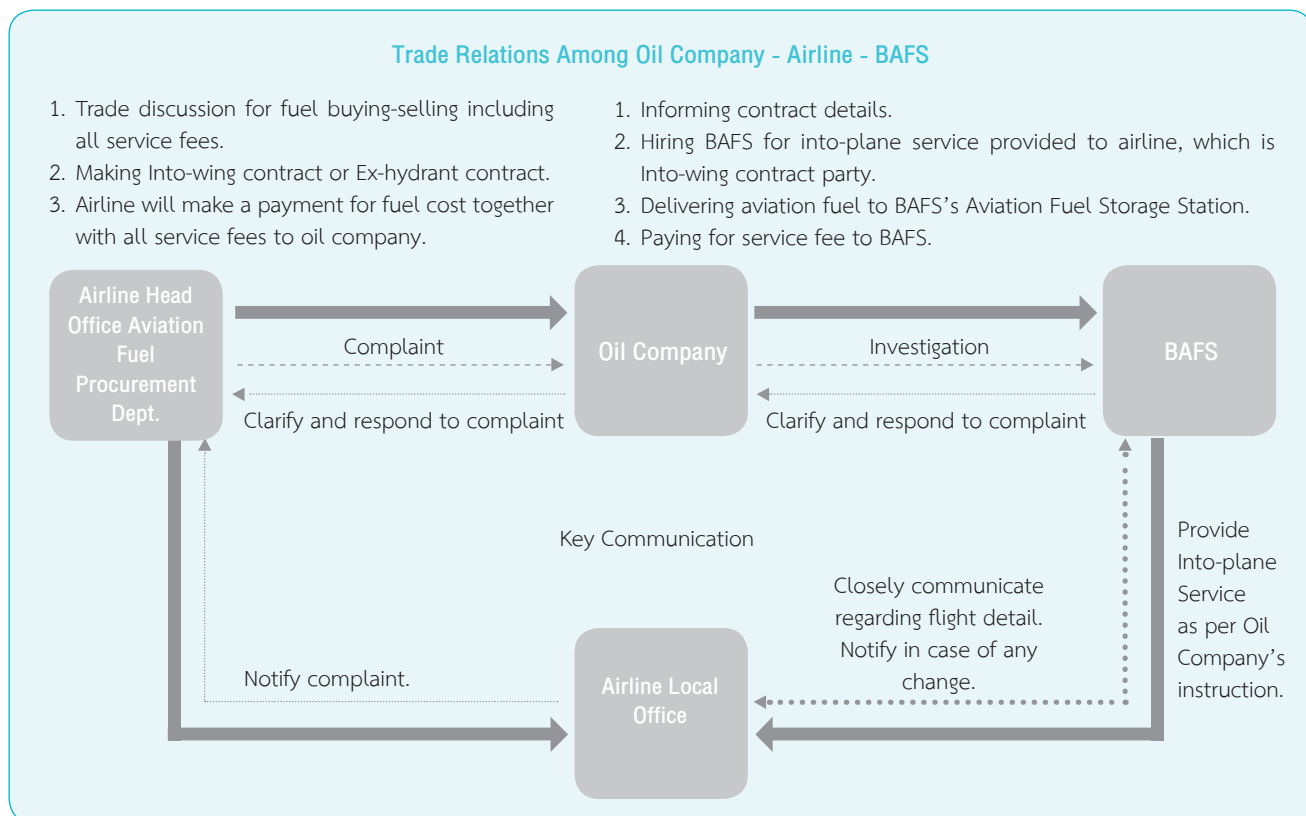
3. Pricing Policy

The pricing policy was set in accordance with international standards, economic, market competition and corporate plan which agreed by the Board of Directors and BAFS's management.

4. Supply and Distribution Channels

When an into-plane contract was made between fuel suppliers and airlines, then fuel suppliers will inform details and conditions of each of their airline customers to BAFS. After that, fuel suppliers will supply jet fuel to airport fuel depot which is joint airport depot and then, BAFS will provide into-plane service accordingly. BAFS will issue delivery receipt (D/R) document to airline after service of each flight and provide total sales volume report to fuel suppliers. Currently, BAFS provides into-plane service in 5 airports: Suvarnabhumi, Don Mueang, Samui, Sukhothai, and Trat Airports.

The procession of refuelling service, as shows in the diagram:





Terms and Conditions of Service

(1) Contract

BAFS provides into-plane service according to fuel suppliers advice who is the one that made service contract directly with airline customers. The fuel supplier will inform contract details of its airline customers to BAFS prior to such into-plane service.

(2) Fuel Carnet Card

In case of non-contracted airline despite from (1), BAFS can provide into-plane services to airlines that request to refuel with fuel carnet card. Fuel suppliers will advise approved list of carnet card to allow BAFS to service.

(3) Cash Payment

In case of non-contracted airline despite from (1) and (2), they are able to pay by cash which includes fuel cost with taxes and all service fees. BAFS will be advised the selling price from fuel suppliers in advance to collect cash from airlines. By the way, the currency accepted is Thai Baht only. BAFS will temporarily keep the cash until the whole amount has been collected by fuel supplier.

(4) P-Card

In year 2015, BAFS increased the payment channels for fuel suppliers and airlines to use P-card which similar to debit card. Airlines are able to make fuel payment by P-Card as per remaining available amount which is more convenient than paying by cash. Anyhow, banks that issue P-Card are few and they are domestic merchant banks only.

5. Billing and Payment Procedures for Into-Plane Service

BAFS will issue delivery receipt (D/R) document after delivered refuelling service. D/R provides record of important details such as flight detail, type and term of service, fuel supplier's name, fuel volume, date and time for aircraft refuelling, etc. Airlines will received 1 copy of D/R. Meanwhile, BAFS will collect its original together with other copies and submit them to fuel suppliers every day. In addition, BAFS also arranges information in electronic data format, which fuel suppliers can access for their sales information reports via internet.

BAFS will invoice fuel suppliers on a monthly basis and the service fees will be calculated from sales volumes that refuelled to their airline customers. Then, fuel suppliers will invoice fuel cost including all service fees to airlines according to term of contract between fuel suppliers and airlines.

Into-Plane Service Industry and Competition



1) Industrial Situation in the Past Year

Aircraft refuelling service industry has expanded driven by the growth of airport, tourism and airline industries. Mainly, its growth is reference to air traffic and destination routes, which consume different fuel volumes of aircraft refuelling subject to flight distances. Basically, any factor that impacts to such three mentioned industries, it will directly affect to aviation fuel storage and aircraft refuelling service industry.

In 2015, the growth of aircraft refuelling service industry contributed by the Government policy that focused on encouraging inbound tourism. Furthermore, there was positive factor derived from world oil price slump, which resulted in airfare reduction. In the meantime, domestic political stability and depreciation of Thai baht currency had caused positive impact as higher purchasing power for tourists, particularly from China who is a major market contributed to tourism of Thailand. Consequently, the number of inbound tourists of Thailand in 2015 was 30.3 million visitors and more than 80% of visitors travelled by planes through Suvarnabhumi and Don Mueang Airports. As a result, the total number of flights and volume of aviation fuel for aircraft refuelling of both airports were increased significantly. Their aviation fuel consumption in total was 5,278 million liters, which increased for 8.8% compared to the previous year.

Comparison of Refuelling Volumes and Numbers of Flights

Year	Numbers of Flights (per year)				Refuelling Volumes (million liters per year)			
	Suvarnabhumi Airport	Don Mueang Airport	Total	Increase (Decrease) %	Suvarnabhumi Airport	Don Mueang Airport	Total	Increase (Decrease) %
2015	160,194	111,289	271,483	18	4,358.3	925.3	5,283.6	9
2014	145,629	84,395	230,024	6	4,218.1	636.9	4,855.0	(2)
2013	149,493	68,219	217,712	17	4,448.5	502.8	4,951.3	8

2) Competitive Situation of Into-Plane Service Industry

Presently, there are 35 domestic airports, which categorized to be major airports, minor airports and small airports. They are managed by state-owned or private-owned airport operator and each airport has different policy to limit the number of into-plane service provider. However, into-plane service is not available at every airport. For the airports which have refuelling service, only at Suvarnabhumi Airport, its policy allows to have more than one while the other airports

have only one service provider. For major airports in Thailand managed by AOT, where the demand of aviation fuel is highest, BAFS is one of two companies that provide into-plane service at Suvarnabhumi Airport. Whereas at Don Mueang Airport, BAFS is a sole service provider. As a result, BAFS has highest market share in the country and becomes a market leader accordingly.

In addition to the domestic competition among service providers for the airports in the country, the competitors also include the overseas service providers in Southeast Asia airports. As jet fuel is a major cost for all airlines, it is a contributed factor to their decision making regarding their new route launching. Therefore, the fuel cost is an important factor to lead to the increasing number of flights. BAFS has a marketing strategy by focusing on deliver quality into-plane service complied with international standards and punctuality with maximum safety.

2.1) International Competition

Currently, international airports' competitive situation became the competition among continents. The Middle East countries have developed their airports in order to be aviation hub of the world. Therefore, many of major international airlines from Europe relocated out of Asian region. This situation has caused negative impact, which led to the decreasing of flight since 2012. However, Chinese and Hong Kong aviation markets became to take important roles in Asian region. China itself is an important business center and destination of the world. Even though, Thailand is impacted by European airlines' shifts from Asian region, it can be compensated by Chinese market. In addition, the establishment of ASEAN economic community (AEC) has led to its regional airports developments as well as the increase of travelling activities among ASEAN member countries. Furthermore, due to political problems in Ukraine, Russia and European countries, Thailand became an alternative destination for tourists. Accordingly, this situation causes benefits to Thailand's tourism and turns into supportive factor for BAFS' business growth. In year 2015, BAFS ranked as number 3 in into-plane service industry after companies in Hong Kong and Singapore.

2.2) Domestic Competition

For refuelling service industry in the country, BAFS provides into-plane service at Suvarnabhumi and Don Mueang Airports which are the 2 out of 6 airports managed and operated the AOT. The total number of inbound and outbound flights of 2 airports is 75% of the whole.

BAFS has been granted as 1 of 2 into-plane service providers at Suvarnabhumi Airport and its market share in 2014 was 86.5%. Whereas, BAFS is a sole service provider at Don Mueang Airport. For other AOT's airports, BAFS seeks an opportunity to expand its service according to AOT's concession policy.

In addition to the airports that managed and operated by AOT, presently, BAFS also exclusively operates into-plane service at Samui, Sukhothai and Trat Airports owned and operated by Bangkok Airways Public Company Limited. In 2015, the total fuel volume of 3 airports was 24.3 million liters, which decreased 11% from the previous year and their total number of flights was 11,700 altogether.

Trends of Industrial and Competitive Situations in Year 2016

In 2016, aviation refuelling service tend to continue to increase following the growth of tourism sector which estimated to be 32.5 million visitors, up by 7.3% from the previous year driven by (1) low travelling costs due to the low fuel price (2) depreciation of Thai baht encouraged more inbound tourism, especially from China (3) the long haul tourist from major countries as well as ASEAN countries are trending upward consistently affected by gradually economic recovery. However, there are some concerns that air transport sector maybe at risk in case Thailand is unable to improve its aviation standard to meet requirement of the International Civil Aviation Organization (ICAO), especially destination to Japan. Nevertheless, this matter is not highly effect on Thai tourism because tourists would fly with other unaffected airlines. Moreover, the incident at Ratchaprasong Road on 17 August had slightly affected tourist numbers in 2015.

Refer to the latest official published flights schedule for both Suvarnabhumi Airport and Don Mueang International Airport followed the forecast growth of tourist and airline passenger numbers, BAFS estimates that the refuelling volume in 2016 in normal situation will be 5,575 Million liters or an average of 15.2 Million liters per day, up by 297 Million liters, a 5.6% increase from last year. The forecast volume derived from Don Mueang International Airport 1,001 million liters, an 8.6% increase from last year with an average of 2.7 Million liters per day and from Suvarnabhumi Airport 4,574 million liters, a 5% increase from last year with an average of 12.5 million liters per day.

Competition at Suvarnabhumi Airport, only into-plane service, BAFS expected to maintain 85% market share by prioritize on fuel supplier customers focus and improve the quality of the service as “Service with our hearts” with the highest safety standards and latest technology to foster airline customers’ satisfaction and strengthen relationships.

The Supply of product and services

The core business of BAFS is to provide aviation refuelling service, whereas jet fuel supplied by the fuel suppliers to airport depot according to the User Agreement in order to refuel to their airline customers from worldwide. BAFS receives certified jet fuel from refineries and depot terminal by 2 supply sources-FPT and THAPPLINE.

BAFS will prepare and inform fuel suppliers the fuel delivery plan in advance to deliver jet fuel to store at airport depot to ensure sufficient volume supply for refuelling services to their airline customers. The reserved working stock policy at Suvarnabhumi Airport is 1 - 3 daily sales and Don Mueang International Airport is 2 - 6 daily sales vary in relation to total throughput delivery each year and the storage capacity. In case of any fuel suppliers are unable to provide jet fuel as delivery plan and incidentally operate with insufficient stock, BAFS is also unable or shall reject to provide refuelling service as fuel suppliers advised. However, this shall not affect BAFS’s service because if any fuel supplier cannot supply jet fuel, airlines are still able to receive refuelling service from alternative suppliers who are users and have sufficient working reserved stock at such airport.



Action Plans for the Future

BAFS focuses on business conducting based on its vision and missions. BAFS adjusts its strategic plans by increasing capabilities of equipment and aircraft refuelling system to ensure maximum operating efficiency and accomplishment of goals. To be competitive in ASEAN Economic Community as well as to support growths of Suvarnabhumi Airport and Don Mueang Airport, BAFS, therefore, has set its action plans as follows:

Bangkok Aviation Fuel Service Public Company Limited

Refuelling Vehicle Improvement Project: 1 Refueller with Capacity of 65,000 Liters.

Don Mueang Airport has utilized almost of its aircraft pits for business operation. Besides, demand for into-plane service by refuelling vehicle is continually increased from both of aircraft parking areas in commercial space and national visitor or royal visitor welcoming space.

Hence, to conduct into-plane service efficiently as well as to create confidence and trustworthiness in its international standard service, BAFS plans to improve its refuelling vehicle with capacity of 65,000 liters to comply with latest version of the international standard including being up-to-date and available for service at all time. The project will be completed in the 4th quarter of year 2017.

Fuel Pipeline Transportation Limited

The Project of Fuel Pipeline Transportation System Expanding to North

BAFS' subsidiary; Fuel Pipeline Transportation Limited (FPT), in which BAFS is holding 75% of its shares, has processed the project of fuel pipeline transportation expanding to North to strengthen capability of fuel transportation including to create nation's energy reserve and transportation securities. For phase 1, the project is started from Bang Pa-In Depot, Ayudhaya province, to Phichit province. The length of pipeline is 365 kilometers and land space of depot at terminal point is 120 rai with total capacity of 70 million liters located in Phichit province. For phase 2, it is continued from fuel pipeline in Kamphaengphet

province to Lampang province with distance of 220 kilometers and its space area of depot at terminal point is 100 rais, which able to store up fuel for 70 million liters. The approximate investment value of the project is 8,000 million baht with duration of construction from 2016 to 2018.

Thai Aviation Refuelling Co., Ltd.

The Construction Project of Hydrant Pipeline for Fuel Transportation System; Phase 2 at Suvarnabhumi Airport

Thai Aviation Refuelling Co., Ltd. (TARCO) has been permitted by AOT to process aviation fuel transportation service via hydrant pipeline at Suvarnabhumi Airport for 30-year period since its official opening date (September 28th, 2006). Presently, there are over than 50 million passengers traveling to and from Suvarnabhumi Airport yearly while its capacity was prepared for 45 million passengers per year only. The Airports of Thailand Public Company Limited (AOT), therefore, accelerates to increase its capacity in aircraft services to reduce congestion occurred at Suvarnabhumi Airport accordingly.

Thus, AOT submitted notification documents regarding operating plan for construction project in order to develop Suvarnabhumi Airport (fiscal years of 2011 - 2017) to relevant government organizations for approval. Subsequently, TARCO adjusted its investment plan for the expansion of aviation fuel transportation system via hydrant pipeline; phase 2, with objective to strengthen Suvarnabhumi Airport's capacity in compliance with AOT's operating plan. TARCO has started the construction by the end of 2015 and expects to finish it within year 2019 with total investing budget of 710 million baht.

In addition, TARCO plans to invest 36.5 million baht for purchasing 3 service vehicles in year 2016. They comprise of 1 hydrant low point flushing vehicle and 2 hydrant pit cleaning vehicles.





Risk Factors

Bangkok Aviation Fuel Services Public Company Limited has continued to manage risks in a systematic practice for which enabled the Company to handle risk mitigation to an acceptable level of 2015 year round. Leading to get achieved of Company's goal in refuelling services punctually without accident to the aircrafts and being trusted by clients with company's professional services. The corporate personnel have also strictly complied with the risk management policies. Additionally, the Company has financial risk management disciplinary by controlling annual budget 2015 expenditure. Therefore, the result of financial statement is in excellent level and competency of dividends payment to shareholders which are considered higher than the requirement. The executive's management have reviewed risk factors annually and adjusted risk control plans to align with corporate strategic goals based on concerning Company's sustainable growth and being lucrative to shareholders regularly in the long term. However, there are some risk factors that may occur and affect shareholders and stakeholders as follows:

1. Business Risks

1.1 Risk Associated with the Growth of Thai Aviation Industry

The main of the Company's operation is aviation fuel storage and aircraft refuelling service which are classified services as below.

- The Company is a main operational aircraft refuelling service mainly at Don Mueang Airport. On the other side, there is one another aircraft refuelling service operator beside the Company at Suvarnabhumi Airport.
- The Company is a main aircraft refuelling service provider at three regional airports, Samui, Sukhothai and Trad Airport.

The Company's revenue is mainly from service fee of aviation refuelling volume at Suvarnabhumi Airport and Don Mueang Airport where the Company serves 7 key customers who are oil companies and shareholders, including Thai Airways International Public Company Limited. Approximately 96% of revenue is from 5 customers, each with similar contribution. Only one customer has contributed more than 30% market share. As the customer is a large state enterprise and a shareholder, the Company has low risk of losing this customer or having bad debt from this customer.

From above business's operations, the growth of the Company's income is dependence on growth of refuelling volume provide to all operating airports which are operated by the Company. Consequently, the risk factors affecting the growth or decline of Thai aviation industry is therefore affecting the Company's income. In 2015, Thai aviation industry was tremendous growth compared with 2014. The reason is that Thai travel promotion campaign was launched after the coup d'état announcement supports tourist's trust and increased number of flights especially the Chinese tourists. Another reason is highly expand of low cost airlines which were extremely competed the fare. Theses support people increasingly traveled by the aircrafts that was influenced to Company's 2015 income growth 11.1% compared to the previous year. However, the Company has closely monitored the aviation industry growth which the corporate risk factors may occurred by external situation changed from economic situation, political incident and government policy.

The Company has proceeded the risk control plan by intensive monitoring financial performance every month, side by side using of Trigger Point that helps to alarm unusual financial factors, such as EBITDA and cash flow as early-warning points. In case the revenue shows a negative sign to plunge below the budget, the Company will conduct the expense control plan to cover the decreased revenue in order to continue the financial performance. Through this approach, the Company can ensure annual dividends for shareholders.

1.2 Risks from the Subsidiaries's Performance as Partly Subjected to BAFS's Performance

The Company has acquired shares in the subsidiaries (group companies) of which the business is fuel pipeline transport service, including Thai Aviation Refuelling Company (TARCO) and Fuel Pipeline Transportation Limited (FPT) that the Company owns shares of 90% and 91.55% respectively. The investment in these subsidiaries was projected to boost growth and create value of comprehensive energy transport service system. Therefore, part of the Company's operation performance depends on the result of operations of its subsidiaries since these subsidiaries have risks from business expansion as well. In 2015 to present, the risks of subsidiaries as below.

- Thai Aviation Refuelling Company (TARCO) has risks from the investment in fuel hydrant pipeline network at Suvarnabhumi Airport phase 2 operating under the concession with the AOT.
- Fuel Pipeline Transportation Limited (FPT) has risks from the possibility of accidents from the construction projects alongside of fuel pipeline network of FPT which may cause damage, as well as risks from investment in the multi-product jet fuel pipeline network to the North.

The Company has risks control of its own subsidiaries in overall and important risk factors as below:

- The Company has nominated its management to sit as the subsidiaries' board of directors. The assigned management has the responsibilities in controlling and monitoring the subsidiaries' operation. As well, the subsidiaries' performance must be reported to the company's Executive Committee on a monthly basis to acknowledge or suggest the risks from subsidiaries' operation.
- The subsidiaries' risks control progression must be reported to the company's Risk Management Committee to ensure coherence of operation between the company and subsidiaries.
- Board of directors have assigned Risk Management Committee monitoring to the risks from investment in the multi-product jet fuel pipeline network to the North, consist of as below.

- Consideration of offering shares from FPT to interested investors for investment in the project by Company is still holding 75% shares for diversifying the risks.
- Consideration of projects risk factors, all investments value and source of investment fund.
- Consideration of Company's investment fund plan in 75% shareholding of projects investment.

Risk Management Committee have followed the assignments completely and informed results the acquisition of asset in projects information which are published in Company website.

2. Risks from Operation

2.1 Risk Relating to the Malfunctioning Aviation Refuelling Devices or Inadequate Fuel in Relation to the Growth of Flight Numbers at Suvarnabhumi Airport and Don Mueang Airport

AOT has initiated marketing activities aiming to attract airlines to use Suvarnabhumi Airport and Don Mueang Airport, resulting in the continuously increasing flight numbers. Consequently, the Company has to encounter the risk of service breakdown or inadequate jet fuel for which could cause flight delays.

In order to minimize such risk, while still being able to maintain refuelling service efficiency and timeliness, the Company has continued to invest in the improvement of devices and services, as well as in various projects to support the growth of flight numbers handled by the AOT as follows:

- Construction of aviation fuel tank at Suvarnabhumi Airport project
- Aviation Refuelling Management System: ARMS Project at Suvarnabhumi Airport and Don Mueang Airport
- Provision of Dispensers Project for service providing of increased flights at Don Mueang Airport

The Company has appointment to assess risk for those high valued projects and set of Trigger Point as early-warning in case of the projects delay which could be the risk that may affect to service efficiency. Aimed at being on time of risk mitigation management and ease to follow the projects plan.

Moreover, the Company's Fueling Operations Committee, which comprises the representatives from the Company's management and oil companies, have been attending quarterly meeting for service improvement. In addition, the inspection by the Joint Inspection Group (JIG) is being conducted once a year to ensure the Company's operating system meets international standards.

2.2 Risks from the Improvement of Organization Capability to Accommodate Business Operation under Economic Uncertainty and Business Growth Opportunities

With economic fluctuation, challenging business competition, openly communication and the integration of AEC countries in 2015, accompanying with the Company's vision to "Sustainable Development in Energy Services with Awareness of Quality safety and Environment" notion as Company's 5 years of strategic plan vision (2016 - 2020). The Company may encounter the risk of inability to develop human resource capabilities to replace the impending retirement of managers and senior employees of main positions among business environment that becomes more dynamic and challenging.

Consequently, the succession plan and successor development plan are being implemented through the management trainee program designed to enhance employee recruitment and selection procedures in order to



develop proficient employees to serve business expansion and replace the retiring management in a timely manner. The approaching management will have full competency required to bring the Company towards sustainable growth and complete the vision above.

2.3 Risk Relating to Conflagration or Terrorism

Since the Company's business is related to aviation fuel storage, the fuel depot located nearby Suvarnabhumi Airport and Don Mueang Airport may risk the conflagration or other hazards, such as terrorism and etc. These happenings could cause damage to personnel, property, environment, as well as the Company's operations stop.

With high concerns about safety, the Company has designed the safety measures, "Occupational Health and Safety Assessment Series: OHSAS 18001:2001", side by side with the Safety, Occupational Health and Environment Policy for which every employee has to maintain awareness and conform to. As well, the Company has appointed the Crisis Management Center (CMC) to handle critical incidents that may affect the Company's operations. Furthermore, in 2016 the Company has begun preliminary studying and preparing to start management system of ISO 22301:2012 which is supporting the Company of Business Continuity Management (BCM) and mitigate the risk of Business Interruption.

Moreover, the Company has conducted the insurance policies with Dhipaya Insurance Public Company Limited and Bangkok Insurance Plc. The policies cover the followings:

- 1) All risks Insurance Policy, covering business interruption, valued at Baht 6,839.1 million
- 2) Terrorism and disaster Insurance Policy, valued at 7,095.0 million
- 3) Aviation Third Party Legal Liability Insurance Policy, valued at US dollars 750 million.
- 4) All-risks Insurance Policy, covering property, office equipment only, parts and property of regional airports as well as business interruption of regional airports. The policy valued at Baht 255.8 million.

3. Financial Risk

The Company and subsidiaries have core business in comprehensive energy services, including aviation fuel storage and refuelling, which are considered ultra-high value infrastructure investment projects according to the Government's policy. The Company has therefore applied for loans to support business expansion of each company. Therefore, financial risks are dependent on the nature of operation, liquidity and loan obligation of each company. However,

financial obligation of Company and subsidiaries have gradually decreased due to amortize in many previous years as shown follows:

3.1 BAFS has financial obligations on long-term loans with 4 financial institutions as follows:

- 1) Loan for the investment in the main depot project and into-plane services project. The Company was granted a 14-year loan valued at Baht 2,000 million from Bangkok Bank Plc. The Company has repaid the loan since 2008 via 3-month current account + fixed APR (Annual Percentage Rate). As of 31 December 2015, the Company has outstanding loan of Baht 502.0 million.
- 2) Loan for the subscription of shares issued by Thai Aviation Refuelling Company Limited with Kasikorn Bank Public Company Limited. The 14.5-year loan valued at Baht 800 million. The Company started to repay in 2007. The interest rate is THBFIX 6 MTH. + fixed APR. As of 31 December 2015, the Company has outstanding loan of Baht 133.3 million.
- 3) Loan for the subscription of shares issued by JP-One Asset Company Limited with Thanachart Bank Public Company Limited, valued at Baht 220 million for 10-year period. The Company started the repayment since 2011, using the interest rate of MLR-Fixed APR. As of 31 December 2015, the Company has outstanding loan of Baht 95.0 million.
- 4) Loan for relevant business investment. The Company was granted an 8-year loan valued at Baht 650 million from Bangkok Bank Plc, using the interest rate of MLR-fixed APR. The Company has repaid the loan since December 2012. As of 31 December 2015, the Company has outstanding loan of Baht 325.0 million.

The Company has been capable of respecting all loan contracts and maintain satisfactory financial conditions at a much better rate than the loan's requirements. In order that, the current debt is much decreased and would be paid entirely in 2018, except debt obligation in loan 4) will be paid entirely in 1st quarter of 2019. Additionally, the Company has prepared ample cash reserve for loan repayment and hence has low risk level.

3.2 TARCO's Long-term Debt Obligation are as follows:

- 1) Loan for the investment of Hydrant Pipeline Network phase II at Suvarnabhumi Airport with TMB Bank Plc, valued at Baht 550 million for 8-year period (2014 - 2021). The Company will start the repayment in 2017, using the interest rate of BIBOR 3 MTH. + fixed APR. As of 31 December 2015, The Company has outstanding loan of Baht 158.1 million.

Given the fact that TARCO has been granted to operate aviation fuel refuelling services through hydrant pipeline network at Suvarnabhumi Airport for 30 years, thus the Company's cash flow is considered stable due to fixed service income that poses low risk level.

3.3 FPT (subsidiary) has debt obligation on long-term loans with financial institution as follows:

- 1) Loan repayment contract with BAFS of Baht 795.33 million and Bangchak Petroleum Public Company Limited of Baht 37.86 million. The interest rate used is as MLR-fixed APR. As of 31 December 2015, the company has debt obligation of Baht 456.17 million.

2) Loan for the purchase of hydrant dispensers from Bangkok Bank Plc, worth Baht 90 million since 25 June 2013 (novation clause from JP-One Asset Company Limited to Fuel Pipeline Transportation Limited at 24 January 2014). The Company repays the loan at Baht 3.5 million on quarterly basis. The interest rate used is MLR-fixed APR. As of 31 December 2015, the Company has outstanding loan of Baht 32 million.

3) Loan for the construction of fuel storage tank from Bangkok Bank Plc, worth Baht 230 million since 18 June 2014. The company repays the loan at Baht 2.20 million on monthly basis. The interest rate is MLR minus fixed APR. As of 31 December 2015, the Company has outstanding loan of Baht 220.85 million.

FPT's revenue comes from fuel pipeline and depot service receiving from Bangchak Petroleum Public Company Limited (BCP) which is more than 30% of gross income per year. BCP is the largest customer because BCP has single fuel supply station which lead directly to FPT pipeline, thus all fuel transportation via pipeline is operated by FPT. Therefore, FPT's cash flow is stable from BCP and FPT has been capable of respecting all loan contracts and maintaining satisfactory financial conditions by the loan's requirements, hence facing low financial risk level.

3.4 BAFS hires IPS in the provision of refuelling service employee at Samui, Sukhothai and Trad Airports and future airports that BAFS is projecting to deliver the service. IPS charges service fees basing on actual cost plus profit margin stipulated in the agreement. Currently, IPS is a debt-free entity and does not have necessity to seek loans from financial institution. Thus IPS faces no financial risk.

4. Risks toward shareholders' investments which may affect to dividend payment.

BAFS focuses on its constant and sustainable growth while carefully invests in its business expansion by strictly adhering to corporate governance principles. In accordance with its operating results in each year, BAFS has taken into account its cash flow and ability to consistently and continually pay dividends to shareholders in long term. Risks toward shareholders' investments, which may affect to dividend payment, can be reduced as BAFS has imposed 5-year strategic plans in order to have its business direction set clearly to provide the sustainable development in energy services with awareness of quality safety and environment.

BAFS sets policy to pay dividends to its shareholders for not lesser than 50% of the profit after corporate income tax deduction. Its legal reserve together with other reserves is set to be not lesser than 10%. These figures are calculated according to the net profit as mentioned in its financial statements. The dividend paying rate is depended on its liquidity and business expanding plans. Nevertheless, BAFS has been continually paying dividends as announced in its policy. The average dividend payout ratio after reserves deduction for 5 years from 2010 - 2014 was approximately 85%, in which higher than dividend rate specified in the policy.

For operating performances of the Corporate Group in year 2016, their investments are processed as per working schedules. In the meantime, tourism and airline industries are constantly expanding. Moreover, BAFS has set financial risk indicators as the precaution before reaching its acceptable level. BAFS' Management Committee also monitors and follows up the Corporate Group's performances of each month in order to achieve their targets accordingly. As a result, the possibility in not paying dividends to shareholders is relatively low.



Shareholding and Management Structures

1. Shareholding Structure

List of 10 major shareholder as at August 25th, 2015 are as follows:

List of Names	Number of Shares	Holding (%)
1. Thai Airways International Public Company Limited	143,983,125	22.59
2. PTT Public Company Limited	45,000,000	7.06
3. Chevron (Thailand) Limited	45,000,000	7.06
4. Esso (Thailand) Public Company Limited	45,000,000	7.06
5. The Shell Company of Thailand Limited	45,000,000	7.06
6. Airports of Thailand Public Company Limited	31,500,000	4.94
7. Goldman Sachs & Co	15,996,251	2.51
8. Susco Dealers Company Limited	12,750,000	2.00
9. Air Total (Thailand) Company Limited	12,750,000	2.00
10. Singapore Petroluem (Thailand) Company Limited	12,750,000	2.00

2. Management Structure

Board of Directors

The Board of Directors comprises 15 directors as follows:

List of Names	Positions
1. Mr. Palakorn Suwanrath	Chairman and Independent Director
2. M.R. Supadis Diskul	Director, Executive Chairman
3. Mr. Prakobkiat Ninnad	Director, Managing Director
4. Flight Lieutenant Montree Jumrieng	Director
5. Flying Officer Chalermpon Intarawong	Director
6. Squadron Leader Bhurith Sriwatana	Director
7. Mr. Nirandra Theeranartsin	Director
8. Mr. Peratak Autadej	Director
9. Mr. Ath Hemvijitraphan	Director
10. Mr. Trintr Subakarn	Director
11. Mr. Navee Lertphanichkul	Director
12. Mr. Aswin Kongsiri	Independent Director
13. Mr. Pachara Yutidhammadamrong	Independent Director
14. Mr. Visut Montrivat	Independent Director
15. Mr. Pipat Purnananda	Independent Director
Mrs. Parndao Sukhyanga	Corporate Secretary

Meeting Attendance of the Board of Directors and Board Committees

List of Names	Meeting Attendance of Year 2015 (Number of Meeting Attendances / Total Numbers of Meetings)				
	The Board of Directors Meeting 5 Times	The Audit Committee Meeting 6 Times	The Remuneration Committee Meeting 3 Times	The Nomination and Corporate Governance Committee Meeting 2 Times	The Risk Management Committee 5 Sessions
1. Mr. Palakorn Suwanrath	5/5				
2. M.R. Supadis Diskul	5/5		3/3	2/2	5/5
3. Mr. Prakobkiat Ninnad	5/5		3/3	2/2	5/5
4. Flight Lieutenant Montree Jumrieng	5/5			1/2	
5. Flying Officer Chalermpon Intarawong	5/5				
6. Squadron Leader Bhurith Sriwatana	5/5				
7. Mr. Nirandra Theeranartsin	5/5				
8. Mr. Peratak Autadej ^{1/}	2/2				
9. Mr. Ath Hemvijitraphan	4/5				
10. Mr. Trintr Subakarn	5/5				
11. Mr. Navee Lertphanichkul	5/5			2/2	
12. Mr. Aswin Kongsiri	4/5			2/2	5/5
13. Mr. Pachara Yutidhammadamrong	5/5	6/6	3/3		
14. Mr. Visut Montrivat	5/5	6/6	3/3		
15. Mr. Pipat Purnananda	5/5	6/6			5/5
* Mr. Krit Imsang ^{2/}	2/3				

Remarks

^{1/} Taking on Director Position (replacing Mr. Krit Imsang), which effective from November 5th, 2015 henceforth. Therefore, his attendance for the Board of Directors meeting was 2 sessions only.

^{2/} Resigning from Director Position, which effective on September 30th, 2015 and absence from meeting for 1. Therefore, his attendance for the Board of Directors meeting was 2 only.

Directors and Authorized Signatories of the Company

Authorized directors whose signatures are recognize as binding on the Company are M.R. Supadis Diskul, Mr. Navee Lertphanichkul, Mr. Ath Hemvijitraphan, Flight Lieutenant Montree Jumrieng, Mr. Trintr Subakarn, Mr. Peratak Autadej, Mr. Prakobkiat Ninnad, Flying Officer Chalermpon Intarawong, Squadron Leader Bhurith Sriwatana, and Mr. Nirandra Theeranartsin, whereby any two of directors sign and affix the Company's seal.

Composition and Appointment of Director

Articles of Association determine the composition, appointment, removal or termination of the Company's Director with detail as follows:

- A Board of Directors shall consist of not less than 11, but not more than 15 directors, each of whom shall be appointed and removed by The shareholders meeting. At least half of the directors shall be reside within the Kingdom of Thailand. Each of directors must be qualified according to law.
- A director shall be appointed by the Shareholders meeting with majority vote in accordance with defined rules and procedures.

- At every Annual General Meeting of shareholders, one-third of the directors must retire whereby the director who has held office longest shall be the first person to retire. The directors who retire by rotation shall be eligible for re-election.
- A General Meeting of Shareholders may vote on any director to retire before expiration of term by vote of not less than three fourth of the number of Shareholders attending present shareholders who entitled to vote and holding shares amounting to not less than one-half of the shares held by the present shareholders who entitled to vote.

Retirement of the Company's Director

The Board of Directors defines retirement ages of the Company's director as follows:

- Each individual candidate nominated for the Company's director shall not exceed 77 years old and remain healthy.
- Each director shall be retired on the last day of birth month in which age is completed 77 years old.
- A managing director shall be retired on the last day of birth month in which age is completed 65 years old.

Roles and Responsibilities of the Board of Directors

According to the Articles of Association of the Company, the directors must perform their duties with honesty and care for the Company's interests in accordance with the law, the Company's objectives and Articles 7 Association including the resolutions of the shareholders' meeting.

The Board of Directors may appoint another person to conduct the Company's business under supervision of the Board of Directors or the Managing Director. The Board of Directors may provide authority to such person within the period of time as deems appropriate. The Board of Directors may revoke or change or revise such authority given.

Roles and Responsibilities of a Managing Director

The Board of Directors has appointed a Managing Director as authorized person to perform various duties on behalf of the Company as shown in its power of attorney, which can be summarized as follows:

- The normal business operations of the Company, which are engaged in the limit not to exceed 10,000,000 baht, except the investments in financial negotiable note and treasury bonds including predetermined operating expenses, in which shall be processed in accordance with the conditions specified by the Company.
- Any juristic act, contract, agreement, or obligation on behalf of the Company, which the Board of Directors has already approved or consented.
- Employment, wage payment, displacement and others as necessary and expedient for the employees.
- Appointments of lawyer and legal counsel.
- To act on behalf or as representative of the Company in any affair with government agency, state enterprise or other organization established by law.
- Appointment and transfer sub of attorney-in-fact or a representative.

Nonetheless, authorization given under the scope of authority and duties specified shall not constitute authorization that causes a managing director or stakeholders to approve any transaction which may be a conflict or conflict of interest to the Company and its subsidiaries.

Corporate Secretary

The Board of Directors has appointed Mrs. Parndao Sukhyanga to be the Corporate Secretary since February 27th, 2013. The Corporate Secretary shall perform duties with accountability, carefulness, honesty in accordance with law and other

relevant regulations. The Corporate Secretary is to provide legal advice, code of conduct that related to the Company's Article of Association and regulations to the Board of Directors and executives. In the meantime, the Corporate Secretary is to liaison to ensure that the Company's objectives and Article of Association, shareholders and the Board of Directors' resolutions including relevant laws and regulatory are complied to meet requirements of good corporate governance practices. Moreover, the Corporate Secretary is to coordinate and manage the meetings of the Board of Directors and the Company's committees including shareholders meeting as well as handle the Board of Directors' activities. In addition, the Corporate Secretary is to organize and keep the Company's documents such as directors registration, notice of meetings, the Board of Directors and Shareholders' meeting minutes and the Company's annual report, etc. The Corporate Secretary's brief biography as follows:

Mrs. Parndao Sukhyanga

Corporate Secretary

Age 51 years old

Holding the Company's share for 0.002% (while holding 18,750 shares under her own name).

Education / Training

- Master of Business Administration, National University, San Diego, USA
- Bachelor of Laws, Thammasat University
- Corporate Secretary Program; class 9/2004, Effective Minute Taking, Board Reporting Program, Company Reporting Program and Anti-Corruption: The Practical Guide from Thai Institute of Directors (IOD).

Other Current Position

Assistant Director

Bangkok Aviation Fuel Service

Work Experiences

Assistant Director Corporate Secretary & Social Affairs Office	Bangkok Aviation Fuel Service Public Company Limited
Legal Supervisor	Bangkok Aviation Fuel Service Public Company Limited
Manager Private fund Management Department	Thai Military Bank Public Company Limited

Board of Director and Sub-Committee

The Board of Directors has set up sub-committees to support in studying and undertaking works to increase its working efficiency. The Sub Committees comprise the Audit Committee, the Remuneration Committee, the Nomination and Corporate Governance Committee including the Risk Management Committee. Detail of compositions, roles and responsibilities of committees is shown in section: "Corporate Governance"

Executive Management

Its detail is shown in section: "Executives Management".

3. Nomination of Directors and Executives

3.1 Nomination of Directors

The nomination of the Company's directors and managing director will be considered by the Nomination and Corporate Governance Committee, and then, proposed to the Board of Directors and/or shareholders for their consideration of appointment.

For the nomination of the Company's directors, the Nomination and Corporate Governance Committee shall process by anywise, for example, searching for knowledgeable and capable persons who possess proper working experience by hiring Professional Search Firm or searching through the Director Pool or from direct nominations proposed

by the Board of directors or the Company's shareholders, etc. Additionally, a Board Skill Matrix should be applied to analyze which work experiences are required in order to set the qualifications of the directors desired. To have the directors whose possess qualifications in consistent with the Company's business operation, the existing Board of Directors shall be considered to determine which skills are additionally required.

However, the nomination of directors to replace directors retiring by rotation shall be proposed to the Annual General Meeting of the Shareholders for appointment in accordance with rules and procedures as follows:

1. Each shareholder shall have one vote per share.
2. Each shareholder may cast all his/her vote(s) according to (1) to elect one or several candidates as directors, but cannot allot the votes to any candidate at any number.
3. The candidates receiving the highest number of votes in the respective order of the votes shall be elected as directors until all of director positions are filled. In the event that a number of candidates receiving an equal number of votes, which would otherwise cause the number of directors to be exceeded, a Chairman of the meeting shall have a casting vote.

Therefore, for the nomination of directors, each shareholder cannot allot his or her votes to any candidate at any number in accordance with clause 70, paragraph one of the Public Limited Company Act (Cumulative Voting)

The Company has set the qualifications of its director as well as its independent director to be more scrupulous when compared to requirements of the SEC regarding the independent director's shareholding in order that the Company's Independent Directors will be truly independent. "Independent Director" is defined to have qualifications as following criteria:

1. An independent director holds not over than 0.5% of all shares with voting rights of the Company, parent company, subsidiary, associated company, major shareholder or the Company's entity with controlling authority. The number of held shares shall be inclusive of shares held by any related persons of such independent director.
2. An independent director shall not be or used to be director, employee, staff, and consultant with monthly salary or entity with controlling authority over the Company, parent company, subsidiary, associated company, major shareholder or entity with controlling authority, either at the present time or within two years prior to his/her appointment as Independent Director. Nonetheless, such prohibited characteristics exclude being government official or consultant of government agencies which are major shareholders or the Company's entities with controlling authority.
3. An independent director shall have no connection by blood or legal registration as father, mother, spouse, sibling, son/daughter or spouse of son/daughter of other executive, major shareholder, entity with controlling authority or any individual nominated as executive or entity with controlling authority over the Company and its subsidiary.
4. An independent director shall have no business relationship with the Company, parent company, subsidiary, associated company, major shareholder or entity with controlling authority in such a manner that may obstruct his/her exercise of independent discretion. Further, an independent director shall not be significant shareholder or entity with controlling authority over any party that has business relationship with the Company, parent company, subsidiary, associated company, major shareholder or entity with controlling authority, either at the present time or within two years prior to his/her appointment as Independent Director.

5. An independent director shall not be auditor of the Company, parent company, subsidiary, associated company, major shareholder or the Company's entity with controlling authority, and, not a significant shareholder or entity with controlling authority over the Company or a partner of auditing company in which providing professional service to the Company, parent company, subsidiary, associated company, major shareholder or entity with controlling authority at the present time or within two years prior to his/her appointment as Independent Director.
6. An independent director is not a person rendering any professional service or a legal or financial consultant who is paid for higher than 2 million baht in service fee per year by the Company, parent company, subsidiary, associated company, major shareholder or the Company's entity with controlling authority, and, not a significant shareholder or entity with controlling authority over the Company or a partner to such professional service provider at the present time or within two years prior to his/her appointment as Independent Director.
7. An independent director shall not be a director who is appointed to be a nominee of a director of the Company, major shareholder or shareholder who is connected to any major Shareholder.
8. An independent director shall not engage in a business of the same nature as and which is significantly competitive to that of the Company, parent company or subsidiary. An independent director shall not be a significant executive with involvement in any management of work, employee, staff, consultant with monthly salary, or, who holds more than 1% of all shares with voting rights of another company which is engaged in a business of the same nature as and which is significantly competitive to that of the Company or subsidiary.
9. An independent director shall not be a director who is appointed by the Board of Directors to make decisions regarding business operations of the Company, parent company, subsidiary, associated company, major shareholder or the Company's entity with controlling authority.
10. An independent director shall not be a director of parent company, subsidiary or affiliate only which is listed company.
11. An independent director shall not have any other characteristic which prevents him/her from opining freely on the operations of the Company.

3.2 Managing Director Selection Process

A managing director is authorized to consider the recruitment and appointment of individuals with knowledge, skills and experience appropriate to the Company. The selection process is conducted according to manual of policies and regulations regarding human management and employment conditions policy. In the event of a managing director selection from third party, candidates are to be interviewed by the Board of Directors.

4. Remuneration of Directors and Executives

4.1 Monetary Compensation

- 4.1.1 The remuneration of the Board of Directors is approved by the General Meeting of Shareholders as proposed by the Board of Directors and screened by the Remuneration Committee. The detail is as follows:
 - Monthly Compensation: the Chairman is paid for 30,000 Baht/month; each of the Directors is paid 20,000 Baht/month.

- Meeting allowance: the Chairman is paid for 24,000 Baht/1 time of meeting attendance; each of the Directors is paid 16,000 Baht/1 time of meeting attendance.
- The Board of Directors' remuneration (bonus): is paid in accordance to policy and conditions of Directors' remuneration which is considered and screened by the Remuneration Committee and the Board of Directors, in which proposed to the General Meeting of Shareholders in yearly basis.

4.1.2 The remuneration of the Audit Committee is approved by the General Meeting of Shareholders, as proposed by the Board of Directors and screened by the Remuneration Committee. The detail is as follows:

- Monthly Compensation: The Chairman of the Audit Committee is paid for 25,000 Baht/month; each of the Audit Directors is paid for 20,000 Baht/month.
- Meeting allowance: the Chairman of the Audit Committee is paid for 20,000 Baht/1 time of meeting attendance; each of the Audit Directors is paid for 16,000 Baht/1 time of meeting attendance.

4.1.3 The remunerations of the Risk Management Committee, the Remuneration Committee, and the Nomination and Corporate Governance Committee are approved by the General Meeting of Shareholders, as proposed by the Board of Directors and screened by the Remuneration Committee. The detail is as follows:

- Meeting allowance: the Chairmen of the Committees are paid 10,000 Baht/1 time of meeting attendance; each Director is paid 8,000 Baht/1 time of meeting attendance.

Remuneration of the Company's Directors

Number of the Company's Directors	15 Directors
Total Remuneration of the Company's Directors, who act as the Company's Directors, the Audit Directors and Directors of other Committees include Risk Management Directors, Remuneration Directors, and Nomination and Corporate Governance Directors	
Year 2015	18,329,333.42 Baht
Year 2014	18,329,570.00 Baht

The remuneration of year 2015 can be individually detailed as follows:

Name	Position	Remuneration of the Company's Directors	Remuneration of the Audit Directors	Remuneration of Directors of Other Committees	Bonus of Year 2014 Which Paid in Year 2015	Total	Remuneration of the Subsidiaries' Directors
1. Mr. Palakorn Suwanrath	Chairman	480,000.00	-	-	1,254,400.00	1,734,400.00	-
2. M.R. Supadis Diskul	Director	320,000.00	-	80,000.00	836,300.00	1,236,300.00	1,058,360.00
3. Mr. Prakobkiat Ninnad	Director	320,000.00	-	80,000.00	575,100.00	975,100.00	188,232.00
4. Flight Lieutenant Montree Jumrieng	Director	320,000.00	-	8,000.00	836,300.00	1,164,300.00	-
5. Flying Officer Chalermpon Intarawong	Director	320,000.00	-	-	128,300.00	448,300.00	-
6. Squadron Leader Bhurith Sriwatana	Director	320,000.00	-	-	128,000.00	448,300.00	-
7. Mr. Nirandra Theeranartsin	Director	320,000.00	-	-	34,300.00	354,000.00	-
8. Mr. Peratak Autadej	Director	69,333.42	-	-	-	69,333.42	-
9. Mr. Ath Hemvijitrphan*	Director	304,000.00	-	-	836,300.00	1,140,300.00	-
10. Mr. Trintr Subakarn **	Director	320,000.00	-	-	836,300.00	1,156,300.00	-

Name	Position	Remuneration of the Company's Directors	Remuneration of the Audit Directors	Remuneration of Directors of Other Committees	Bonus of Year 2014 Which Paid in Year 2015	Total	Remuneration of the Subsidiaries' Directors
11. Mr. Navee Lertphanichkul	Director	320,000.00	-	16,000.00	836,300.00	1,172,300.00	-
12. Mr. Aswin Kongsiri	Director	304,000.00	-	70,000.00	836,300.00	1,210,300.00	-
13. Mr. Pachara Yutidhamdamrong	Director	320,000.00	420,000.00	24,000.00	836,300.00	1,600,300.00	482,288.00
14. Mr. Visut Montrivat	Director	320,000.00	336,000.00	30,000.00	836,300.00	1,522,300.00	482,288.00
15. Mr. Pipat Purnananda	Director	320,000.00	336,000.00	40,000.00	836,300.00	1,532,300.00	512,431.00
16. Mr. Sumon Suratin	Former Director	-	-	-	261,200.00	261,200.00	-
17. Mrs. Wasukarn Visansawatdi	Former Director	-	-	-	238,200.00	238,200.00	-
18. Mr. Pongsak Semson	Former Director	-	-	-	300,100.00	300,100.00	-
19. Mr. Makin Petplai	Former Director	-	-	-	91,600.00	91,600.00	-
20. Lieutenant Athisak Padchuenjai	Former Director	-	-	-	625,500.00	625,500.00	-
21. Mr. Krit Imsang	Former Director	212,000.00	-	-	836,300.00	1,048,300.00	-
Total		4,889,333.42	1,092,000.00	348,000.00	12,000,000.00	18,329,333.42	2,723,599.00

Remarks

* The Company does not provide remuneration to Mr. Ath Hemvijitraphan, but to the Shell Company of Thailand Limited for which he works as its executive.

** The Company does not provide remuneration to Mr. Trintr Subakarn, but to Chevron (Thailand) Limited for which he works as its executive.

Executive Remuneration

Number of the Executives	9 Person
Types of Remuneration	Salary, Gratuity (Bonus), Fringe Benefit
Total Remuneration of Executives	
Year 2015	67,308,368.98 Baht
Year 2014	55,354,252.62 Baht

* For total amount of post-employment benefits upon retirement, which is advantage for employees who have worked for the Company before the setup of provident fund, it is depended on each employee's salary base and number of working years.

Nonetheless, the employees and executives, who have worked for the Company before setting up of provident fund, are able to choose to be members of the provident fund or remain in retirement benefit program. In case of choosing to be member of the provident fund, the Company guarantees that the amount of provident fund benefits will not be lower than that of the retirement benefits.

4.2 Other Remunerations

The Company provides other remunerations for the Executives as well as for all staffs. It is the provident fund, in which, after setting up, provided to the employees who participate as its member. The contribution rate will be a percentage rate of employee's salary in accordance to the Company's regulations.

Provident Fund Contributions Granted to the Executives

Number of the Executives	9 Executives
Amount of Provident Fund Contributions	
Year 2015	4,628,521.81 Baht
Year 2014	3,898,264.53 Baht

5. Corporate Governance, Insider Information Usage Control and Internal Control.

Detail is shown in section “Corporate Governance”

6. Dividend Payment Policy of the Company and Its subsidiaries

The Company has a policy to pay dividends to its shareholders in the amount of not less than 50% of net profit after tax, and legal reserve and other reserves in the amount of not less than 10% by calculating from the net profit of Company’s financial statement. Only Such ratio of dividend declaration insubject to Company’s liquidity and investment plans, etc. Over the past years, the Company had paid the dividends in accordance with its policy with detail as follows:

	Dividend Payment (Million Baht)	Dividend Per Share (Baht)	Percentage of Net Profit (the Company’s Financial Statement)	
			Before Reserves Deduction	After Reserves Deduction
Year 2015	701.2	1.10	82	103
Year 2014	561.1	1.10	81	102
Year 2013	510.0	1.00	61	76
Year 2012	397.8	0.78	56	70
Year 2011	331.5	0.65	79	99

In year 2015, the Company paid and interim dividend to the shareholders for 0.25 baht per share on September 3rd, 2015. Furthermore, on February 17th, 2016, the Board of Directors additional amount for annual dividend payment of year 2015 to the shareholders by calculating from agreed with the second half of the year performance for 0.85 baht per share. Thus, total dividend payment of year 2015 was 1.10 baht per share in which equal to 103% of net profit (after reserves). It is, therefore, processed in accordance with the dividend payment policy of the Company and will be proposed to the 2016 Annual General Meeting of Shareholders accordingly.

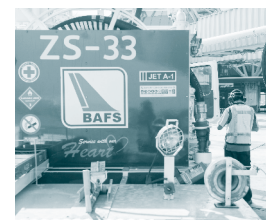
In addition, the Company’s subsidiaries have the dividend payment policies with details as follows:

Thai Aviation Refuelling Company Limited has the dividend payment policy in the amount of not less than 60% of net profit after legal reserve and other reserves, except in any year that TARCO has plan for investment, the dividend payment amount, then, will be not less than 30%.

Fuel Pipeline Transportation Company Limited has the dividend payment policy in the amount of not less than 50% of net profit after legal reserve.

Into-plane Services Company Limited has not had the dividend payment policy to the shareholders yet.

Corporate Governance



Good Corporate Governance Practice

The Board of Directors of Bangkok Aviation Fuel Services Public Company Limited (BAFS) strongly believes that good corporate governance is vital for business operation. Therefore, to ensure efficiency of BAFS' operation, to achieve goal and sustainable growth as well as to be transparent with high ethical standard in which strengthens shareholders and stakeholders' confidence, BAFS adheres to the Good Governance Policy issued by the Stock Exchange of Thailand.

BAFS complied the Principles of Good Corporate Governance for Listed Companies 2006. Later, BAFS had its policy revised by following the Principles of Good Corporate Governance for Listed Companies 2012. BAFS also clarifies reasons and presents alternative measures in case BAFS is unable to comply with such principles in some areas.

BAFS has appointed Mrs. Parndao Sukhayang to take role as Head who acts as supervisory center for business operation overseeing to ensure that it is in compliance to laws, regulatory, mandates, policies including rules and regulations of organizations relevant such as the Securities and Exchange Commission and the Stock Exchange of Thailand (Mrs. Parndao Sukhayang's biography is shown in section "Shareholding and Management Structures").

1 Good Corporate Governance Policy

The Board of Directors defined in writing the Corporate Governance Policy in year 2002. Its substance has been improved continually to be appropriate. Regularly for at least once (1) a year, the Nominating and Corporate Governance Committee reviews and has it amended to ensure its update as well as its consistency with international standards of practice, laws, regulatory, rules and regulations including recommendations from the organizations that govern the corporate governance.

In year 2015, BAFS had revised in order to be more compliance to the international good corporate governance principles and renamed its Corporate Governance Policy to be the Good Corporate Governance Policy. The Board of Directors, executives and employees focus in performing as guided by 5 principles of good corporate governance include:

1. Accountability
2. Transparency
3. Equitable treatment
4. Long-term value-added creation to stakeholders
5. Promotion of best practices

In the meantime, the Board of Directors also appointed the Nominating and Corporate Governance Committee to oversee, monitor and provide advice to directors and executives to ensure their compliance with the good corporate governance policy, so that their duties in supervisory and management will be functional and practical with appropriate continuation to meet expectations of shareholders and stakeholders. Moreover, the Nominating and Corporate Governance Committee also oversees the operation of the Corporate Governance working group. This working group's duties are to monitor compliance of Code of Conduct and arrange Code of Conduct compliance assessment including revision of Code of Conduct and its compliance assessment to be appropriate consistently. In year 2015, the Company had Code of Conduct compliance assessment arranged for its directors, executives and employees. It was conducted by experts from a third party. The conclusion from their answers analysis in questionnaires and interviews showed that their understandings and compliance with Code of Conduct were in good level.

The Company has committed to prevention and resistance of all forms of corruption. In year 2013, the anti-corruption policy was imposed and announced to be a business conducting guideline for the Company, its subsidiaries including all directors and employees to ensure that risks from corruption will be considered and managed carefully. Additionally, the Company had the anti-corruption measure manual prepared as well for directors and employees to comply accordingly. Moreover, since 2014 up to the present, the Company has been certified as a member of Private Sector Collective Action Coalition against Corruption.

Results of corporate governance assessments of the Company in year 2015 are as follows:

- The Company received full of 100 scores from the Annual General Meeting 2015 arrangement (AGM Checklist) organized by Thai Investors Association.
- The Company was ranked in excellent level as shown in the Corporate Governance Report of Thai Listed Companies (CGR) of year 2015, which was organized by Thai Institute of Directors (IOD).
- The Company received awards as 1 of 50 listed companies in ASEAN member countries that reached highest score for corporate governance in accordance to assessment criteria of ASEAN CG Scorecard 2015, which was held in Manila, Philippines.

2 Committees

The Board of Directors has arranged different committees to assist in studying tasks in detail and screening tasks which resulted in enhancing working efficiency and transparency of the Board. Meanwhile, all chairmen of committees are independent directors. In order to boost truly independent operation, the Chairman of the Board will not be appointed to be chairman or member of the Board of Committees. As well, the Company has clearly defined composition, roles and responsibilities of each Board of Committees as follows:

Audit Committee

The Audit Committee consists of 3 independent directors whose qualifications shall meet with requirements of the SEC. Each of the Audit Committee has a term of office of 3 years. They are:

- | | | |
|----------------------------------|-------------------------------------|-----------------------------|
| 1. Mr. Pachara Yutidhammadamrong | (Independent Director) | Chairman of Audit Committee |
| 2. Mr. Visut Montrivat | (Independent Director) | Audit Committee |
| 3. Mr. Pipat Purnananda | (Independent Director) | Audit Committee |
| Mrs. Mayuree Nalinwong | (Director of Internal Audit Office) | Audit Committee Secretary |

Mr. Visut Montrivat and Mr. Pipat Purnananda are Audit Committee members who have adequate knowledge and experiences to perform duty in reviewing the Company's financial statements as described in section "Board of Directors".

The Audit Committee regularly reports its audit results to the Board of Directors and performs its duties in accordance with charter of the Audit Committee, which is approved by the Board of Directors as follows:

“To review the Company’s financial reporting process to ensure that it provides accurate, adequate and reliable reports; to review the Company’s internal control system and internal control monitoring system to ensure their appropriateness and efficiency including to determine internal control unit’s independency as well as to give consent in consideration of appointment, transfer and dismissal of Head of internal control unit; to review the Company’s compliance with the laws on securities and exchange, the regulations of the Stock Exchange of Thailand, the laws relating to the Company’s business and the obligations with third party; to review that the Company maintains its assets properly; to review risk management system and internal control system to ensure its independency; to consider and make recommendation on appointment and remuneration of auditor including attending the meeting with auditor without participation of the management for at least once a year; to consider the connected transactions to ensure that they are in compliance with the laws and regulations of the Stock Exchange of Thailand; to consider in reviewing the charter of the Audit Committee for at least once a year including assessing overall operation results of the Audit Committee and his/herself yearly; to consider annual plan, budget and workforce of internal control function which consented by the Board of Directors; to prepare an Audit Committee’s report and to disclose it in the Company’s annual report; to be authorized for hiring professional consultants and inviting executives or involved parties to opine; and to perform any other acts as delegated by the Board of Directors.”

The Company has arranged for an internal audit office responsible for assuring and providing fair and independent advice to the Company for improved operations and added value. Mrs. Mayuree Nalinwong, Director, Internal Audit Office, acts as the head of the internal audit office as detailed in the “Executives” section.

The Audit Committee considered that the head of the internal audit unit has appropriate education background, experience and trainings to efficiently perform the duty with knowledge, skills and independence. The appointment or change of the head of internal audit unit shall be approved by the Audit Committee.

Remuneration Committee

A Remuneration Committee consists of the Company’s director for at least 3, but not more than 4 of them whereas at least 1 of them shall be independent director whose office term are 2-year period. In accordance with its composition, the Chairman of the Board of Directors and the Managing Director are members of the Remuneration Committee (resolution of the Board of Directors’ meeting, No. 4/2014 dated on August 7th, 2014)

1. Mr. Visut Montrivat	(Independent Director)	Chairman of Remuneration Committee
2. Mr. Pachara Yutidhamdamrong	(Independent Director)	Remuneration Committee Director
3. M.R. Supadis Diskul	(Executive Chairman)	Remuneration Committee Director
4. Mr. Prakobkiat Ninnad	(Managing Director)	Remuneration Committee Director (being on the committee by position since August 1 st , 2014)
Ms. Suvipa Sukcharoenchok (Finance & Accounting Director) Secretary of Remuneration Committee		

The Remuneration Committee regularly reports to the Board of Directors and performs its duties in accordance with its charter, which is approved by the Board of Directors as follows:

“To consider stipulation of remuneration, gratuity, meeting allowances, rewards, bonus and other compensations for the Board of Directors, the Audit Committee, the Risk Committee, the Nominating and Corporate Governance Committee, the Fuelling Operations Committee, the Executive Chairman, the Managing Director, the Committees and other Sub-Committees of the Company including proposing details to the Board of Directors or the General Meeting of the Shareholders for approval as appropriate”.

Further, the Remuneration Committee shall consider interim dividend and annual dividend payments including proposing details to the Board of Directors or the General Meeting of the Shareholders for approval as appropriate. The Remuneration Committee shall also provide opinions regarding remuneration and meeting allowances of directors as well as dividend payment to the shareholders, etc.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee comprises not less than 3 of the Company's directors whose office term are 2-year period. A Chairman of Nominating and Corporate Governance Committee is independent director. They are:

- | | | |
|---------------------------------------|------------------------|--|
| 1. Mr. Aswin Kongsiri | (Independent Director) | Chairman of Nominating and Corporate Governance Committee |
| 2. Mr. Navee Lertphanichkul | | Nominating and Corporate Governance Committee Director |
| 3. Flight Lieutenant Montree Jumrieng | | Nominating and Corporate Governance Committee Director |
| 4. M.R. Supadis Diskul | (Executive Chairman) | Nominating and Corporate Governance Committee Director |
| 5. Mr. Prakobkiat Ninnad | (Managing Director) | Nominating and Corporate Governance Committee Director |
| Mrs. Parndao Sukhyang | (Corporate Secretary) | Secretary of Nominating and Corporate Governance Committee |

The Nominating and Corporate Governance Committee regularly reports to the Board of Directors and performs its duties in accordance with its charter, which is approved by the Board of Directors as follows:

"For nomination, the Nominating and Corporate Governance Committee shall consider appropriate number as well as composition of the Board of Directors and prepare terms and conditions for managing director employment agreement. Further, the Nominating and Corporate Governance Committee shall consider nomination of directors whose terms have become vacant and proposing nominating detail to the Board of Directors or the General Meeting of the Shareholders for appointment.

The Nominating and Corporate Governance Committee shall nominate directors by considering candidates' qualifications in terms of personal status, knowledge, capability, morality and conflict of interest. Meanwhile, the Nominating and Corporate Governance Committee shall stipulate specific qualifications of independent director and managing director to be in accordance with laws, regulatory and principles of corporate governance issued by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

Moreover, the Nominating and Corporate Governance Committee shall provide opinions which derived from its operation in accordance to its charter such as opinions regarding nomination of directors, etc.

For corporate governance, the Nominating and Corporate Governance Committee shall regularly consider revision and amendment of good corporate governance policy. Moreover, the Nominating and Corporate Governance Committee shall oversee and provide suggestions to the Company's directors and management to provide smooth operation including giving recommendations regarding good corporate governance to the Board of Directors to ensure that the Company's operation is complied with principles of the supervisory unit."

Risk Management Committee

The Risk Management Committee consists of 5 directors, whose office terms are 3-year period, in which its Chairman is independent director. They are:

1. Mr. Aswin Kongsiri	(Independent Director)	Chairman of Risk Management Committee
2. Mr. Pipat Purnananda	(Independent Director)	Risk Management Committee Director
3. M.R. Supadis Diskul	(Executive Chairman)	Risk Management Committee Director
4. Mr. Prakobkiat Ninnad	(Managing Director)	Risk Management Committee Director
5. Mr. Ditsapong Prithaveepong	(Consultant to Executive Chairman and Acting for Business Development & Marketing Director)	Director and Secretary of Risk Management Committee

The Risk Management Committee regularly reports its operating results to the Board of Directors and performs its duties in accordance with charter of the Risk Management Committee, which is approved by the Board of Directors as follows:

“To supervise and ensure risk management policy compliance including opinion with regard to corporate risk management; to review effectiveness of risk management framework and monitor consistency of the Company and its subsidiaries’ risk management; to present overall image of corporate risk, its managing procedure including overall results of risk management to the Board of Directors; and to screen and review overall risk to ensure that the Company’s risk management is adequate and appropriate for handling risks and have them placed as risk appetite as well as to ensure that risk management is continued observed.”

Further, to monitor and oversee the Company’s operating results to ensure its achievement of targets, the Risk Management Committee shall also consider key risk indicators in every Risk Management Committee meeting, for example, EBITDA, cash flow, expenditure control and market share, etc. In case the Company’s operating results are likely to be lower than predetermined targets, the Risk Management Committee shall instruct the management to stipulate corrective measures accordingly.

Executive Committee

To ensure orderliness, efficiency and consistency of the Company and its subsidiaries’ business operations, the Board of Directors has appointed the Executive Committee to conduct business in accordance with the Company’s strategic plans. The Executive Committee shall also provide recommendations and solve major problems including monitoring business results of the Company and its subsidiaries to ensure their shareholders’ highest benefits. In addition, the Executive Committee shall consider screening important matters before having them proposed to the Board of Directors meeting. The Executive Committee appointed by the Board of Directors is comprised of the Company and its subsidiaries’ management representatives as follows:

1. M.R. Supadis Diskul	Executive Chairman
2. Mr. Prakobkiat Ninnad	Managing Director
3. Ms. Suvipa Sukcharoenchok	Finance & Accounting Director
4. Mr. Amnuay Pahuvanich	Bangkok Aviation Fuel Services Public Company Limited
5. Mr. Ditsapong Prithaveepong	Managing Director, Thai Aviation Refuelling Co., Ltd.
6. Mr. Buree Whanchid	Managing Director, Intoplane Services Co., Ltd.
Mrs. Parndao Sukhyang	Managing Director, Fuel Pipeline Transportation Limited
(Corporate Secretary)	Secretary of Executive Committee

The Executive Committee performs its duties in accordance with its charter, which is approved by the Board of Directors as follows:

“To impose policy and screen budgets of the Company and its subsidiaries before having them proposed to the Board of Directors of each company; to oversee, monitor, and assess the Company and its subsidiaries’ operating results to conform to assignments determined by the Board of Directors; to entitle on requirements for documents or involved persons to clarify in matters related to duties and responsibilities; to appoint sub-committee and working group as appropriate and to perform other tasks assigned by the Board of Directors”.

3 Nomination and Appointment of High-Level Executives

The director and managing director selecting process is conducted by the Nominating and Corporate Governance Committee before proposing to the Board of Directors and/or shareholders for consideration of appointment.

For the nomination of the Company’s directors, the Nominating and Corporate Governance Committee shall process by anyway, for example, searching for knowledgeable and capable persons who possess proper working experiences by hiring Professional Search Firm or searching through the Director Pool or from direct nominations proposed by the Board of directors or the Company’s shareholders, etc. Additionally, a Board Skill Matrix should be applied to define required qualifications of the director. To obtain directors whose possess qualifications in consistent with the Company’s business operation, detail of the existing Board of Directors shall be considered in order to determine in which skills of director are additionally required.

However, the nomination of directors to replace directors retiring by rotation shall be proposed to the General Meeting of the Shareholders for appointment by majority vote in accordance with rules and procedures as follows:

1. Each shareholder shall have one vote per share.
2. Each shareholder shall exercise all his/her vote(s) according to (1) to elect one or several candidates as directors, but cannot allot the votes to any candidate at any number.
3. The candidates receiving the highest number of votes in the respective order of the votes shall be elected as director until all of director positions are filled. In the event that a number of candidates receiving an equal number of votes, which would otherwise cause the number of directors to be exceeded, a Chairman of the meeting shall have a casting vote.

Therefore, for the nomination of directors, each shareholder cannot allot his or her votes to any candidate at any number in accordance with clause 70, paragraph one of the Public Limited Companies Act (Cumulative Voting)

The Company has set the qualifications of its independent director to be more stringent when compared to requirements of the SEC regarding the independent director’s shareholding to ensure true independency of the Company’s independent directors. Independent director’s qualifications are defined as follows:

1. An independent director holds not over than 0.5% of all shares with voting rights of the Company, parent company, subsidiaries, affiliates company, major shareholders or the controlling person. The number of held shares shall be inclusive of shares held by any related persons of such independent director.

2. An independent director shall not be director, employee, staff, and consultant with monthly salary or controlling person of the Company, parent company, subsidiary, affiliated company, major shareholder or entity with controlling person, either at the present time or within two years prior to his/her appointment as independent director. Nonetheless, such prohibited characteristics exclude being government official or consultant of government agencies which are major shareholders or the Company's entities with controlling authority.
3. An independent director shall have no connection by blood or legal registration as father, mother, spouse, sibling, son/daughter or spouse of son/daughter of other executive, major shareholder, controlling person or any individual nominated as executive or entity with controlling authority over the Company and its subsidiary.
4. An independent director shall have no business relationship with the Company, parent company, subsidiary, affiliated company, major shareholder or controlling person in such a manner that may obstruct his/her exercise of independent discretion. Further, an independent director shall not be significant shareholder or entity with controlling authority over any party that has business relationship with the Company, parent company, subsidiary, associate company, major shareholder or entity with controlling authority, either at the present time or within two years prior to his/her appointment as Independent Director.
5. An independent director shall not be auditor of the Company, parent company, subsidiary, associate company, major shareholder or the Company's controlling person, and, not a significant shareholder or entity with controlling authority over the Company or a partner of auditing company in which providing professional service to the Company, parent company, subsidiary, associate company, major shareholder or entity with controlling authority at the present time or within two years prior to his/her appointment as Independent Director.
6. An independent director is not a person rendering any professional service or a legal or financial consultant who is paid for higher than 2 million baht in service fee per year by the Company, parent company, subsidiary, affiliated company, major shareholder or the Company's controlling person, and, not a significant shareholder or entity with controlling authority over the Company or a partner to such professional service provider at the present time or within two years prior to his/her appointment as Independent Director.
7. An independent director shall not be a director who is appointed to be a nominee of a director of the Company, major shareholder or shareholder who is connected to any major Shareholder.
8. An independent director shall not engage in a business of the same nature as and which is significantly competitive to that of the Company, parent company or subsidiary. An independent director shall not be a significant executive with involvement in any management of work, employee, staff, consultant with monthly salary, or, who holds more than 1% of all shares with voting rights of another company which is engaged in a business of the same nature as and which is significantly competitive to that of the Company or subsidiary.
9. An independent director shall not be a director who is appointed by the Board of Directors to make decisions regarding business operations of the Company, parent company, subsidiary, associate company, major shareholder or the Company's controlling person.

10. An independent director shall not be a director of its parent company, subsidiaries or affiliate only which is listed company.

11. An independent director shall not have any other characteristic which prevents him/her from opining freely on the operation of the Company.

4 Supervision on Operation of Subsidiary and Affiliated Company

4.1 Supervisory Mechanism for Subsidiary and Affiliated Company

The Company conducts its supervisory mechanism for subsidiaries and affiliated Companies by assigning its representatives to be their directors, executives and employees. The Companies' representatives shall take part in supervision of interests as well as to coordinate with the subsidiaries and associated companies to ensure efficiency of the Company in monitoring and overseeing including having its subsidiaries and affiliated companies to conduct businesses in compliance with good internal control system. The Company has stipulated supervisory criteria and operational directions for its subsidiaries and associated companies with details as follows:

- Representative Director or employee of the Company must have appropriate knowledge, skill and experience. Meanwhile, representative of the Company must not operate the same business or be director of company that conducts the significant competitive business which may cause conflicts of interests to the Company' subsidiaries and associated companies.
- Authority for appointment and removal of representative director belongs to the Board of Directors while authority for appointment and removal representative senior executive is granted to the Managing Director.
- Regarding scope, authority, duties and responsibilities of the Company's representative director and senior executive, the representative director shall consider and provide consent for important matters such as policy, business targets as well as supervise the management to conduct business in accordance with predetermined policy and plan. Meanwhile, the Company's representative senior executive shall take part in strategic and operational planning to ensure predetermined targets achievement. In addition, monitoring and overseeing the subsidiaries and affiliate companies' operations shall be done through Executive Committee meeting or meeting with their management as appropriate.
- Operational guidelines and obligations among the subsidiaries and affiliate companies and third party must be stipulated to ensure their compliances with direction specified by the Board of Directors, especially, in the areas of financial reports accuracy, reliability of audit, internal control appropriateness and risk management, etc.
- The Company' subsidiaries and affiliate companies are required to report their operational results to the Board of Directors or the Managing Director in defined period.

4.2 Agreement between the Company and shareholders regarding the subsidiary management.

-None-

5 Insider Trading Control

Detail is shown in clause 7: Good corporate governance practices on other issues.

6 The Company and Its Subsidiaries' Audit Fees and Non-Audit Fees

Remuneration of Auditor

1. Audit Fee

- For the past fiscal year, the Company and its subsidiaries' audit fees totaled 2,785,000.00 baht (included other approximate expenditures for auditing during accounting period December 31st, 2015) with detail as follows:

Number	Company Name	Auditor	Audit fee and other service fee (Baht)
1	Bangkok Aviation Fuel Services Public Company Limited	E Y Office Company Limited	1,194,000.00
2	Thai Aviation Refuelling Co., Ltd.	E Y Office Company Limited	574,500.00
3	Intoplane Services Co., Ltd.	E Y Office Company Limited	95,000.00
4	Fuel Pipeline Transportation Limited (FPT)	E Y Office Company Limited	921,500.00
Total amount of audit fees			2,785,000.00

2. Other Service Fee

- For the past fiscal year, the Company paid 60,000 baht as the service fee to E Y Office Co., Ltd. for its service in arranging report regarding quantity of fuel for aircraft refuelling summarization at Don Mueang Airport. Meanwhile, its subsidiaries paid 40,000 baht for consulting fee - mergers to E Y Corporate Services Co., Ltd. which is company related to E Y Office Co., Ltd.

7 Good Corporate Governance Practices on Other Issues.

The Company has complied with the principles of good corporate governance as specified by the Stock Exchange of Thailand as follows:

Section 1: Rights of Shareholders

1. Right of Shareholders Protection

- 1.1 The Company places priority on protecting the rights of shareholders and promotes the exercise of their fundamental rights such as the equal right to profit sharing, the right to receive adequate news and information from the Company in timely manner, the voting right in the shareholders' meeting to appoint or to remove director, the appointment of auditor including other issues which may affect to the Company, i.e., dividend allocation, amendment of articles and memorandum of association and reduction or increment of capital, etc.
- 1.2 The Company takes into consideration the rights of shareholders; therefore the Company prepares the shareholders more assisting than their fundamental rights as prescribed by laws. For example, the Company provides important and update information via its website as well as Management Discussion and Analysis (MD&A) to explain its operational results in quarterly basis and news release via BAFS Newsletter, etc.

- 1.3 Shareholding structure of the Company comprises many minor shareholders who can cause considerable balance between minor and major shareholders by not contributing to any person or any group to control the Company or the voting rights resulted in good corporate governance in shareholder level. The distribution of share to minor shareholders (Free Float) is higher than 40% with neither cross-shareholding among companies in the Corporate Group nor creating pyramid scheme shareholding structure. The whole Board of Directors is holding shares altogether for 1.18%. In the meantime, the proportion of shares held by domestic and foreign institutional investors is approximate 16%.

2. Annual General Meeting of Shareholders

- 2.1 The Company sets an Annual General Meeting of Shareholders to be held once a year within 4 months from the last day of the Company's fiscal year. In 2015, the Annual General Meeting of Shareholders took place on April 22nd, 2015, in which the Company's Executive Chairman, Chairmen of Committees, Managing Director, Directors, Senior Executives, Auditor and Legal Advisor had attended to provide answers in the meeting.
- 2.2 The Company has HNP legal Limited to perform as its legal advisor and has representatives from shareholders to count the votes and results thereof are disclosed in the Annual General Meeting of Shareholders' minutes.

3. Meeting Invitation Notice in Advance

- 3.1 The Company has appointed Thailand Securities Depository Co., Ltd. which is its securities registrar, to send the meeting invitation notice to its shareholders prior to the meeting for 21 days. Moreover, to provide opportunity to the shareholders for meeting information studying in advance, the Company publicizes the same information that being sent by post to the shareholders via www.bafsthai.com for at least 30 days prior to the meeting. In Addition, the Company has meeting notice advertised in newspapers for 3 consecutive days with at least 3 days prior to the meeting as well.
- 3.2 The meeting invitation notice includes complete and sufficient detail such as date, time, venue, and agenda, articles of association regarding shareholders' meeting, map of meeting venue, meeting procedure and detail of documents that the shareholders shall present on meeting date. Information disclosure of each agenda is clearly specified that it is for acknowledgement or consideration together with its objectives, reasons and opinions of the Board of Directors. The Company arranges all related meeting documents in English as well to serve and provide convenience to foreign investors.
- 3.3 The Company respects the rights of shareholders and avoids right violation and infringement by all means. Meanwhile, the company promotes the exercise of shareholder's rights by presenting important issues to shareholders for their approval as well as disclosure complete information as prescribed by laws, regulations of the Stock Exchange of Thailand as well as the Company's Articles of Association.
- 3.4 The important meeting agenda are clearly informed in order to propose to shareholders for their approval. They include:
- **Appointment of Director:** the Company provides opportunity to shareholders to appoint director individually. Each of candidates' information such as name, age, educational background, work experience, number of companies that each of candidates works for as director, in which separated to be listed company and non-listed company, are clearly informed to the shareholders. In addition, the Company also advises criteria and selecting process for director appointment, types of director proposed for appointment, his/her meeting attendance information, his/her number of years in office in case exiting director is proposed to reassume the position. The proposal for director appointment is considered and screened by the Nominating and Corporate Governance Committee.

- **Director Remuneration:** the Company provides detail regarding compensation models and its amount including policy and director remuneration criteria which is considered and screened by the Remuneration Committee.
- **Appointment of Auditor:** the Company provides detail regarding auditors' names and their audit firms, experiences and competences as well as independency of the auditor, audit fees, number of years for audit service providing (in case of appointing the exiting auditor to take charge) or reason for changing auditor (in case of appointing new auditor) including criteria to determine suitability of auditing fee which is considered and screened by the Audit Committee.
- **Dividend Allocation and Payment:** the Company provides detail regarding profit allocation and capital reserve, amount of dividend payment including reason and information, in which accordance to the dividend payment policy and record date specified by the Board of Directors in order to determine shareholder's title to dividend. The dividend allocation and payment is considered and screened by the Remuneration Committee.

4. Facilitation Provided to Shareholders

- 4.1 The Company has policy to provide facilitation and encourages institutional investors including major and minor shareholders to attend the meeting.
- 4.2 The Company provides channel to the shareholders to send their queries regarding meeting agenda through the Corporate Secretary to the Board of Directors prior to the meeting date. Its detail information is publicized on the Company's website accordingly.
- 4.3 The Company has the Annual General Meeting of Shareholders arranged at the Queen Sirikit National Convention Center, which is convenient for shareholders to reach for meeting attendance. In the meantime, the company arranges equitable treatment to all shareholders by having receptionists in place to provide convenience.
- 4.4 The Company provides 2 hours prior to the meeting commencement to the shareholders for their meeting registration. The Company encourages the shareholders to fully exercise their rights in the meeting, therefore, in case of late arrival; the shareholders are not restricted from meeting participation.
- 4.5 The Company applies barcodes that display detail of each shareholder by having them printed on shareholder meeting registration forms to provide convenience with prompt and accurate meeting registrations, number of vote counting and results informing services.
- 4.6 The Company grants the shareholders, who delay in meeting to exercise their rights by balloting for agenda under consideration and has not yet concluded.

5. Shareholders' Meeting Procedure

- 5.1 Before the meeting commencement, Chairman of the meeting will introduce the attending Board members, Chairmen of committees, the management, the Company's auditor and legal advisor. The Corporate Secretary will inform shareholders regarding meeting procedures and voting Procedure.
- 5.2 The Company allocates sufficient time and opens the floor to shareholders to opine and question on each agenda in the meeting. The Company's directors and management give importance to every question; hence, they will provide clear and pertinent answers before having the meeting to vote for such agenda.
- 5.3 The Company processes the shareholders' meeting in according to list of agenda as informed in the meeting invitation notice. The Company will neither be abruptly distributing other important document nor adding unexpected agenda to the shareholders' meeting.

- 5.4 To ensure transparency and auditability in case of an objection occurring thereafter, the Company provides ballot tickets for voting. In the meantime, the ballot tickets are also used when voting for any agenda that composes many listings, for example, the appointment of director agenda in which the Company grants opportunity for shareholders to appoint director individually.

6. Procedure After the Shareholders Meeting

- 6.1 The Company shall announce resolutions of the meeting by notifying them to the Stock Exchange of Thailand and have them disseminated on the Company's website before 09.00 hrs. on the following day after the Annual General Meeting of Shareholders day.
- 6.2 In accordance to the resolution of the shareholders' meeting regarding dividend payment, the Company shall coordinate with Thailand Securities Depository Co., Ltd. to ensure the shareholders' receipt of dividend with correct amount. According to the SET's recommendation, the Company, therefore, specifies the record date for shareholders' title to dividend to be at least 5 days after being approved by the shareholder's meeting.
- 6.3 The Company has the meeting minutes prepared to be complete and accurate for shareholders' inspection, in which comprised of names and positions of attending directors, voting method and vote counting, shareholders' opinions, clarifications from directors and management including meeting resolutions with numbers of votes for approval and disapproval as well as abstaining of vote. The meeting minutes will be submitted to the SET within 14 days after the Annual General Meeting of Shareholders day. The meeting minutes including video and audio of shareholders' meeting are disseminated on the Company's website as well.

As a result from such operation, the Company was assessed and granted full of 100 scores from Thai Investor Association.

Section 2: Equitable Treatment of Shareholders

The Company realizes the importance of treating all shareholders equitably and fairly; therefore, the Company has operated as follows:

1. Proposing of Meeting Agenda and Nominations of Directors

The Company facilitates shareholders in proposing agenda and nominating in advance qualified person as a candidate for the Company's director before the Annual General Meeting of Shareholders. The Company has clear procedure disseminated via its website and the SET. The shareholders can make proposal of agenda and detail information of candidates for consideration in advance for 3-months period from October 15 to January 15 of each year. A Single shareholder or group of shareholders who holds minimum share of 0.05% is able to propose agenda or detail of candidate for the Company's director. The percentage as mentioned is ratio that facilitates the shareholders more than requirement of the law that determines whether one or more shareholders who altogether hold shares for not less than 5% can be able to propose agenda. Nonetheless, for the Annual General Meeting of Shareholders 2015, there was no shareholder purposed agenda, but nominated qualified person to assume the position of director.

2. Proxy

In case any shareholder is unable to attend the meeting, the shareholder is allowed to appoint another person, independent director or managing director to attend the meeting instead. The Company will provide a proxy form in

which shareholders can determine the direction of their votes through proxies. Documents required and instructions process for appointing proxy, which is not complicated, are clearly informed to shareholders accordingly.

3. Supervision of the Use of Insider Information and Conflict of Interest

- 3.1 The Company protects insider information with measures to prevent misuse of undisclosed insider information by its directors and executives for their exploitations, for example, stock trading by using insider information and disclosure of insider information to directors or executives' related persons which causes damage to the shareholders as a whole, etc. The company has stipulated measures to protect the Company's interests and confidential information which are shown in the policy manual and rules & regulations of the Company. Meanwhile, terms of securities trading, the use of insider information, and the conflict of interest including penalties for violation are shown in Code of conduct. These measures and terms are made known to all directors, executives and employees. In addition, the Company has defined that its directors, executives and employees are prohibited to buy or sell its securities for at least 7 days prior to the announcement of financial results of each quarter.

The company notifies its directors and executives to report the changes in securities holding to the SEC pursuant to Section 59 of the Securities and Exchange Act B.E. 2535. Moreover, detail of directors and executives' securities holding is added as agenda in every session of the Board of Directors' meeting as well as being disclosed in the annual report.

Further, the Company has stipulated that employee who work closely to the Company's information, must report changes of securities holding within 3 business days from the date of transaction. This issue is also added as agenda in the management monthly meeting.

- 3.2 The Company has stipulated criteria to have its directors and executives to submit report on interests to the Company. The Board of Directors including executives must also disclose information regarding their own and their related persons' interests. The criteria stipulated are consistent with nature of business, laws and related regulatory. In addition, directors and executives must report every change of their stake to the Company. The Corporate Secretary is responsible for following up such information accordingly.
- 3.3 The Board of Directors has stipulated guidelines to prevent directors or executives having conflict of interests to take part in decision making process of transaction between the Company and such stakeholders. Before the Board of Directors meeting, the Chairman of the Board will advise director who has conflict of interests to notify the meeting and then such director shall leave the meeting. In addition, director that is not entitled to vote in such matter.
- 3.4 The shareholding structure of the Company is not complicated and almost of connected transactions are normal business transactions.
- 3.5 The Company adheres in performing in compliance to laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, for example, criteria of connected transactions and acquisition or disposal of assets, etc.

In year 2015, the Company did not receive any complaints regarding shareholders' basic rights infringement whereby the Company also equally treated all shareholders. Moreover, there was no record of the use of insider information for exploitation.

Section 3: Consideration of the Roles of Stakeholders

1. Treatment of Stakeholders

The Company has defined conducting guidelines for treatment of all groups of stakeholders include shareholders, customers, trade partners, creditors, trade competitors, employees including social and environment. The treatment of stakeholders guidelines in writing are shown in Corporate Governance Policy and Code of Conduct of the Company. Their detail information is disseminated via the Company's website. Meanwhile, the Company encourages its employees to take part in Corporate Governance Policy compliance. Policy and Guidelines for treatment of stakeholders are as follows:

- 1.1 **Shareholders:** the Company has policy and guidelines for treatment of its shareholders by performing duties with integrity and fairness, conducting business in stable growth which results in appropriate yield for shareholders. Further, the Company arranges equal, constant and complete information to all shareholders as well as provides opportunity to shareholders to express their opinions, recommend and propose agenda or qualified person for being director through the shareholders' meeting.
- 1.2 **Customers:** the Company has policy and guidelines for treatment of its customers as:
 - The Company cares and responsible its to customers by performing in compliance to agreements made with customers, treating all customers equally and fairly, focusing on creating customers' satisfaction and confidence and providing service with quality.
 - The Company conducts into-plane service with international quality standard, punctuality and maximum safety. The Company's operational service is certified by Quality Management Systems: ISO 9001 and Occupational Health and Safety Management Systems: OHSAS 18001.
 - The Company possesses customer satisfaction survey system, which is part of Key Performance Indicators (KPIs) of the Company.
 - The Company organizes activities to promote good relations with customers, for example, the visits for observing the Company's operation, the seminars, the customer meetings to strengthen relations as well as to listen to feedbacks from customers, quiz games with questions related to the Company to win prizes including meetings with customers in special occasions, etc.
- 1.3 **Trade Partners:** the Company has policy and guidelines to treat its trade partners by providing clear procedure of trade partner selection. The Company's trade partners must be qualified as well as be able to operate in accordance with procedure or process specified by the Company. In case of selecting for new trade partner, approval from the Board of Directors is required.

The Company complies with agreements mutually agreed, treats equally and fairly toward all trade partners and based on mutual fair returns. The Company will not request for, accept or give any dishonest benefit to trade partners. In addition, the Company has imposed JV Core Principle policy as tool to prevent disclosure of sensitive information.
- 1.4 **Creditors:** the Company has procedure and operational guidelines to treat trade partners in order not to violate their right. Accurate and complete financial information is provided to trade partners. All mutual agreements are executed accordingly. In addition, the Company shall do not request for, accept or give any dishonest benefit to creditors.

1.5 **Trade Competitors:** the Company applies policy and operational guidelines toward trade competitors by treating competitors in according to the rule and manner of good and fair competition as well as not seeking for confidential information of competitors with dishonest or inappropriate method. In the meantime, the Company will not ruin reputation of competitors with groundless slander.

1.6 **Employees:** the Company has policy and guidelines to treat its employees. As all employees are important for the business operation; therefore, the Company places important on employees' development as well as provides appropriate compensation and welfare. Additionally, the Company promotes employees' engagement with detail as follows:

- Setting regulations regarding employee's compensation and welfare.
- Setting clear policy for employees' compensation whereby their performances are assessed by balanced scorecard that consistent with performance of the Company in both of short and long terms in aspect of finance, customers, internal management process and learning and development.
- Arranging appropriate compensation and welfare such as monthly salary, annual bonus, provident fund, and life, accident and health insurance.
- Arranging employee orientation, training programs regarding Code of Conduct, anti-corruption policy, safety and quality including providing necessary basic knowledge to new employees to ensure their capabilities before moving forward to on the job training program.
- Arranging training courses which are appropriate for employees who are promoted or transferred to work for different positions to ensure their capabilities that must be suitable for characteristic of work.
- Providing policy to systematically promote employees' development by using competency model as standard for preparing human resource development plans, for instance, competency and potential assessment, training roadmap, individual development plan, career development plan, succession plan and successor development plan, etc. In year 2015, total number of employees was 451 people and average training periods was 39.72 hours/person.
- Arranging educational promoting project such as scholarships granting to employees, domestic and overseas work observation and training programs.
- Increasing levels of employees for overseas training by providing such kind of training not only to executives, but to employees in many levels.
- Promoting Code of Conduct by having employees to engage in "anti-corruption measure" as well as arranging Code of Conduct test for employees to ensure their work ethics. Further, employees are promoted to participate in dharma practices at The Young Buddhists Association of Thailand. In addition, the Company has arranged various training programs as appropriate.
- Promoting campaign and core value fostering by arranging activities within organization such as employees relations activity, employee excellence activity and security support activity, etc. Moreover, the Company has also organized core value test to ensure employee engagement, understanding and awareness as well as encouraging all employees to comply core value in the same direction.
- Arranging activities to promote good relations among employees in the Company, for example, sport day, new year celebration party, annual trip, clubs participations including monthly activities such as activity to encourage operatives, bike riding activity to strengthen employees' relations, merit making activity etc.

- Promoting campaigns for core value fostering and employee engagement to ensure their compliance on stakeholders treatment policy in which includes social, community and customers. Moreover, the company also arranges activities to ensure its employees' awareness of Core Value of the Company.

1.7 Social and Community: The Company gives importance to social and community; therefore, this issue is specified in strategic plan of the Company in accordant to social and community operational framework as mentioned in organizational sustainable development guidelines. In year 2015, the Company focused on being part in community's sustainable development by processing activities in 6 main categories include health, natural resources and environment, family and elder, life & assets safety and basic structures of education, religion, art & culture as well as profession and monetization. Details of project activities are shown in sustainability report on page 54 - 58

Besides of promoting social and community project activities in overall, the Company has also supported soldier encouragement project by continuously collaborating for 8 years with Royal Thai Army Medical Development and Phramongkutklo Hospital Foundation. The project's main objective is to support in rehabilitation of mentally wounded soldiers from insurgency along the border of Thailand, so that; they will be able to proudly return to society.

2. Workplace Safety, Health and Environment

The Company gives high priority to workplace safety, health and environment; therefore, its policy and committee are set up to implement workplace safety, health and environment with detail as follows:

- Developing workplace safety, health and environment systems to be consistent with related laws, international standards and other applied regulations.
- Controlling, improving, preventing and solving problems occurring from the Company's business operation that may have impact on its employees and assets in which involves risks of medium-level and higher to enable continuous improvement on occupational safety, health and environment.
- Continually improving results of the implementation of workplace safety, health and environment.
- Promoting and encouraging employees' engagement to adopt workplace safety, health and environment measures at work.
- Enhancing employees' knowledge and awareness regarding workplace safety, health and environment including out-of-work safety.
- Providing resources for implementing workplace safety, health and environment system process to enable its continuous development.
- Providing safety to employees' lives and assets of the Company including regularly reviewing and updating safety measure.

Further, the Company discloses accident statistics with details of working hours without severe accident that can cause derailment of work, target of safety hour and latest date of accident at every branch of the Company's office.

During the past, the Company had organized many activities such as annual medical check-up for people in community, assessment surveillance for environmental impact toward community, big cleaning day and sustainable safety day as well as training programs for workplace safety, health and environment which includes workplace health and environment training, fire drill and annual fire-fighting and evacuation as required by law together with emergency plan practices. The Company also provides personal protective equipment to the employees as well as organizes

campaign to promote accidental prevention including workplace environment and drinking water & waste water qualities assessment, etc.

3. Environmental Conservation and Efficient Utilization of Resources

The Company promotes efficient utilization of resources in every process of its business operation to achieve highest benefits. In the meantime, the Company takes into account impact toward environment; therefore, the Company has monitored impact and set up preventive measure to systematically prevent and relieve impact. Energy conservation policy is stipulated as well as Green Committee is established to manage energy consumption in accordance with energy conservation policy. The detail is as follows:

1. Setting up appropriate energy management and operating systems. Determining energy conservation as part of the Company's business operation and have it defined in accordance to related laws and regulations.
2. Continually and properly improving efficiency of organizational resources usage to ensure its appropriateness toward business, technology applied and good conducting guidelines.
3. Stipulating yearly plan and goal of energy conservation to be appropriate as well as communicating such plan and goal to employees to ensure their comprehension and compliance.
4. Defining energy conservation as duties and responsibilities of all levels of executives and employees including requiring for their cooperation in complying with predetermined measure in order to achieve objectives.
5. Providing human resource, budget, working period, and training as well as encouraging employees to participate in proposing comments regarding energy for working development purpose.
6. The Management and Green Committee shall review and revise energy conservation policy, goal and operation plan to be appropriate and consistent with current situation.

Arranged by Thailand Greenhouse Gas Management Organization (Public Organization), the Company received certificates of carbon footprint for organization and carbon offsetting from General Surasak Karnjanarat, Minister of Natural Resources and Environment on September, 24th, 2015.

Further, the Company has continually organized training programs to provide knowledge regarding energy to its employees, for example, photo taken activity to reflect energy-consciousness, energy conservation questions & answers and waste processing game activities, etc.

Moreover, the Company has processed tangible measure to reduce energy consumption includes changing high pressure sodium light bulbs to be LED light bulbs at Don Mueang Into-plane Refuelling Station (DMK - Sub-Station) resulted in reduction of electrical power for 43,239 kilowatt-hour per year. In the meantime, the changing of light bulbs at Suvarnabhumi Into-plane Refuelling Station (BKK- Into-Plane) reduces electrical power consumption for 2,497 kilowatt-hours per year. There is also a trial of electrical cars at both of DMK - Sub-Station and BKK- Into-Plane as well.

4. Respect of Human Rights

The Company has policy and conducting guideline to avoid violation of human rights. Its directors, executives and employees are required to perform in compliance to business ethics regarding respect of human rights with detail as follows:

- Adhering to democracy and encouraging employees to exercise their constitutional election rights.
- Treating employees based on human dignity and respecting personal rights and responsibilities.

- Promoting and respecting human rights protection by regularly monitoring the Company's administration to ensure the avoidance of forced labor and child labor, etc.
- Demonstrating intent to support "Child-Friendly Business" project.
- Promoting monitoring surveillance in the Company for human rights measure compliance and also encouraging employees to perform in accordance to international standard of human rights principles compliance.

During the past, there was no report or complaints to the Company regarding violation of human rights.

5. Intellectual Property or Copyright

The Company imposes policy and guidelines to prohibit intellectual property or copyright infringement. Its directors, executives and employees are required to perform in compliance to Code of Conduct regarding intellectual property or copyright with detail as follows:

- Protecting the Company's intellectual property as well as avoiding other's intellectual property infringement.
- Performing in accordance to laws, regulations and obligations regarding rights of others in intellectual property including patent, copyright, trade secret and other proprietary information.
- Avoiding abuse or misuse of others' intellectual property.
- In case of any copyrighted work or intellectual property derived from employee's performance, such copyrighted work or intellectual property shall belong to the Company.

During the past, there was no report or complaints to the Company regarding intellectual property or copyright infringement.

6. Support of Anti-Bribery and Anti-Corruption

The Company focuses on business transparency as well as stands against bribery and corruption. Therefore, the Company signed to demonstrate its intent onto the Private Sector Collective Action Coalition against Corruption whereby the Company has been certified as its member since 2014 up to the present.

In 2013, the Company announced anti-corruption policy, which was approved by the Board of Director, in order to stipulate conducting guidelines to directors, executives and employees for their compliance. Its detail is as follows:

- The Company's directors and employees of all levels must perform in accordance to the anti-corruption policy without involvement in any forms of corruption, either directly or indirectly in order to sustain benefits of the company and their own including benefits of their friends and others.
- The anti-corruption policy shall be practiced in accordance to detail mentioned in Code of Conduct, regulations including related operational manuals of the Company as well as other conducting guidelines specified by the Company in the future.
- The employees shall not disregard or overlook any acts that are witnessed that could be within scope of corruption involving the Company. It is duty of all employees to report such matter to their supervisors or persons indicated in Code of Conduct, and fully cooperate in any investigation that may follow.
- The Company ensures fairness and protection of its Staff Members who report about corruption involving the Company.
- Acts of corruption are considered violation of the Company's Code of Conduct in which offenders will receive disciplinary punishment as well as legal punishment if such offences are also against the law.

- The Company places importance on communication and public relations to provide knowledge and comprehension on anti-corruption compliance to its directors and employees including all related persons.

In year 2014, the Company stipulated anti-corruption measure as conducting guidelines for its executives and employees to practice. The detail is as follows:

1. Monetary donations

- In regard to monetary donations for charitable purposes, their objectives must be clear and be able to monitor to ensure that such donations will not be used as excuses for bribery. Meanwhile, it must be done on behalf of the Company only.
- Accepting and offering of gifts as well as performing any kind in any form of transactions either directly or indirectly with government officers, other persons or other organizations, in order to repay for any subservient action, are prohibited.

2. Political Support: the Company adheres in democracy with the King as Head of State; therefore, the Company implements a neutral political policy by not involving in political support or assistance. Nonetheless, the Company promotes its employees to exercise their constitutional election rights

3. Gifts giving and receiving

- Receiving or requesting for benefits, or proposing compensation or any kind of bribery including other inappropriate disbursement, either directly or indirectly, in order to repay for any subservient action that contributes beneficial effects to the employees, the Company, or work-related benefits of the Company, are prohibited.
- Gifts giving or receiving shall be done in transparent manner without influence on any decision making of the Company's related business issue.

4. Welcome reception provision and acceptance

- Welcome reception provision and acceptance for the Company's business benefits shall be done reasonably in proper manner that reflects normal relations with third party whose duties or business are related to the Company's business.
- Paying for travelling expense, reception expense or other expenses, which are inappropriate and not relate to the Company's business, to government officers, other persons and organizations, are prohibited.
- Receiving or requesting for benefits or accepting invitation for entertaining function or receptions including invitation for work observation, that proposed by third person with free of charge, or receiving expenses supports from third person, which causes influence toward business decision making or repayment for any subservient action that contributes beneficial effects to the Company, are prohibited.

Further, the Company has processed to prevent corruption involvement as follows:

1. Risk Management Committee is set up to monitor risk managements of the Company and its subsidiaries to ensure their consistency. Moreover, the Board of Directors also authorizes the Executive Chairman to screen the Company's strategic plans including risk management of projects that are related to the Company and its subsidiaries' investments.

2. The Company has assessed enterprise risk management and corruption involvement process. Hence, the Companies prepares risk control plan in writing as operational guidelines for continuous overseeing and monitoring for corruption risk.
3. The Company has communicated Code of Conduct and anti-corruption policy to employees within and to people outside the organization such as trade partners via electronic document management system including posting notice in the Company's offices and on website. Moreover, all employees also sign to acknowledge for compliance on Code of Conduct. Training courses regarding good corporate governance are arranged for the employees in every year as well as anti-corruption guidelines for practice is added to orientation program for new employees.
4. The Company supports activities that promote compliance of laws and related regulations by having them organized in every year, for example, the activity to promote core value namely "Following Best Practice", which emphasizes on working with integrity and adherence to regulations of the Company and the training programs regarding anti-corruption, etc.
5. The Company has intangible monitoring process to assess results of anti-corruption compliance. There is online self-assessment system for executives and employees to assess themselves in every year. In the meantime, Corporate Governance Committee also monitors and assesses anti-corruption compliance results as well as provide channel for whistle-blowing in case of witness any corruption including protection measure for whistle-blower. The anti-corruption measure training program is also arranged for employees, etc. Moreover, the internal audit office has monitored the anti-corruption compliance by random inquiries and interviews the executives and employees regarding their understanding in anti-corruption policy and conducting guidelines.
6. The Company recognizes the importance of anti-corruption measure; hence, the Company has joined the Private Sector Collective Action Coalition against Corruption (Collective Action Coalition). The Company signed onto its declaration of intent in year 2012 and later became its member in year 2014. In addition, the Audit Committee has also reviewed the Company's completeness and adequacy of anti-corruption practice to meet requirements of Collective Action Coalition's certification process.

7. Contact Channels

The Company arranges channels for stakeholders to provide suggestions, opinions or queries including complaints in case of rights infringement and others with detail as follows:

- 7.1 The Corporate Secretary's e-mail: parndao@bafs.co.th, Tel: 0 2834 8912
- 7.2 The Investor Relations Department, e-mail: pitsapong@bafs.co.th, Tel: 0 2834 8914
- 7.3 Post to the Corporate Secretary: Bangkok Aviation Fuel Services Public Company Limited 171/2 Kamphang Phet 6 Rd., Don Mueang, Don Mueang, Bangkok 10210

In case of important matter or any matter that may cause damage to the Company, the Corporate Secretary will present such matter to the Board of Directors accordingly.

8. Whistle-Blowing Measures and Whistle-Blower Protection Mechanisms

The Company provides channels to receive complaints from third person and its employee including actions taken upon receipt of complaint. The Company stipulates measures to protect and maintain confidentiality of complainant as follows:

8.1 Receipt of Complaint

The Company provides channels for whistle-blowing and complaint in case experience any act suspicious of violating or non-compliance with the Codes of conduct of the Company, illegal actions including behaviors that imply corruption and unequal treatments via channels as follows:

- (1) Trustworthy supervisors of all levels.
- (2) Corporate governance working group.
- (3) Mail to:
Executive Chairman or Chair of Audit Committee
Bangkok Aviation Fuel Services Public Company Limited
171/2 Kamphang Phet 6 Rd., Don Mueang, Don Mueang, Bangkok 10210
- (4) E-mail: ec@bafs.co.th or ac@bafs.co.th
- (5) Website: www.bafsthailand.com

8.2 Actions taken upon receipt of complaint

Upon receipt of complaint, the Company will verify factual information, evaluate, investigate and stipulate measure to moderate damage to those affected. The company takes into account damage in overall, then, assigns relevant officer who is responsible for such matter to follow up on the progress and report result to the receiver of whistle-blowing/complaint including whistle-blower/complainant. Such result will also be reported to the Managing Director, the Executive Chairman, the Audit Committee and the Board of Directors as appropriate.

8.3 Protection Measure

To protect rights of whistle-blower/complainant or person who cooperate in investigation, the Company will keep confidential the name, address, photograph or any information of whistle-blower/complainant or person who cooperate in investigation. The Company will also set up protection measure in the event that they may be unsafe or affected by vexation. In this regard, their troubles will be relieved by appropriate and fair procedure.

After investigation, if the Company finds that any of its employees has acted against Code of Conduct and/or anti-corruption policy, such employee will receive disciplinary punishment as stipulated by the Company or legal punishment if such offences are also against the law.

The Company, in the past, had neither record of breach of labour law, employment, consumers and trade competition nor report or complaints regarding bribery and corruption. In year 2015, the Company received important award which was Outstanding Practice Awards in Occupational Health, Safety and Environment for 3 areas included Don Mueang Airport, Suvarnabhumi Aviation Fuel Storage Station and Suvarnabhumi Into-plane Refuelling Station whereby no record of complaints as well.

Section 4: Information Disclosure and Transparency

1. The Company's Information Disclosure

The Company has disclosed important information in its annual reports, its website at www.bafsthai.com in both Thai and English, for example, vision, mission, major policies, corporate group structure, nature of business and competitive situation, financial status and operational results, business risks, shareholding structure, organization structure, board of directors, board of committees, senior executives, types of directors, biographies and direct and indirect shareholding of directors and senior executives, training experiences of directors, remuneration policy for directors and senior executives, compensation models, amount of compensation for directors of the Company and its subsidiaries, duties and responsibilities of the Board of Directors and Boards of Committees during the past year such as number of meetings, number of times for meeting attendance, investor relations information, meeting invitation notices, minutes of meetings and press release, etc. The Company also has information in its website updated regularly.

2. Preparation of financial report

To ensure that the preparation of the Company's financial report is accurate, complete and transparent as well as be able to maintain the Company's assets, prevent corruption and unusual actions, the Board of Directors; therefore, appoints the Audit Committee to review it accordingly. Further, the Company adheres on performing in compliance with general accepted accounting principles including focusing on appropriate accounting policy by taking into account reasonability and prudence in preparation of financial report to ensure the Company's stakeholders' confidence. The Board of Directors also prepares report on its responsibility for the financial report, which completely includes important matters according to Code of Best Practice of Directors of Listed Companies recommended by the Stock Exchange of Thailand. The report is signed by the Chairman of the Board of Director and the Managing Director and presented together with the report of Auditor in the Company's annual report.

In year 2015, the Company assigned the auditor from E Y Office Company Limited who was knowledgeable, proficient and independent with approval from the SET to be the Company's auditor. The financial report of the Company was certified unconditionally and fairly, in all material respect in accordance with general accepted accounting principles. It was approved by the Audit Committee/the Board of Director before disclose to the shareholders.

The Company also prepares management discussion and analysis (MD&A) in quarterly basis for analytical explanation regarding financial status, operational results, factors that impact to financial status and important changes. Moreover, important news and information are disseminated to the shareholders via BAFS Newsletter.

According to Balanced Scorecard that suggests to view organization from four perspectives: financial; customer; business process; and learning & growth, the Company, then, applies Key Performance Indicators (KPIs) to its strategic objectives in accordance with goals of strategic plans and risk appetite, for example, return on assets, market share, customers' satisfaction and accomplishment of human development plans, etc.

3. Channels for Information Disclosure

3.1 The Company recognizes the importance of disclosure of information that relevant to the Company in both of financial and non-financial information with accuracy, completeness, transparency in timely manner. Hence, the Company provides channels for information disclosure as follows:

- Information dissemination system of the Stock Exchange of Thailand (SET) and website of the Securities and Exchange Commission (SEC).
- The Company's website at www.bafsthai.com provided in both Thai and English.
- Quarter operational results report by providing information to analysts and investors on Opportunity Day at the SET.
- Press Release
- Newsletter to present the Company's financial status.
- Information provided to analysts or investors who visit and consult with the Company's management.
- Analyst Meeting
- Documents delivered to shareholders by post.

3.2 The Company provides information disclosure in compliance with regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) by setting up compliance supervision department to take responsible for this matter.

3.3 The investor relations department is provided as contact point for communication with investors, shareholders, analysts and other relevant organizations. Its e-mail is: pitsapong@bafs.co.th, Tel: 0 2834 8914. Besides of providing information to investors in regularly, the investor relations department has its action plans for every year. In year 2015, its important activities included 4 participations on Opportunity Day, taking institutional investors and minor shareholders to visit the management and observe the business (Company Visit), organizing 8 Analyst Meetings and 1 Shareholder Site, 1 information providing for the Company's credit rating review including 1 Press release function to release news regarding investment expansion projects of the Corporate Group.

The Company has never been ordered to amend its financial statements by the SEC, whereby the Company discloses its annual and quarter financial statements within designated period of time.

Section 5: Responsibilities of Board of Directors

The Board of Directors' roles, duties and responsibilities are directing the Company's operation, due care and accountability for its shareholders and being independent of the Management.

5.1 Board of Directors Structure

5.1.1 The Board of Directors considered appropriateness of its structure and determined its composition to consist of at least 11 members, but not over than 15 members. Currently, the Company's Board of Directors comprises 15 directors as follows:

- Executive director	2	directors (13.33%)
- Non-executive director	13	directors (86.67%)

Eight of them are directors from third parties and five of them are independent directors, which is equal to 1/3 of the total number of the directors of the Board. Eight directors who are non-executive director experience in business or industrial field related to the Company's business.

5.1.2 The Board of Directors also defined its structure to be comprised of directors with diversified qualifications. They are expert with knowledge, capabilities, experiences and leadership skills. They possess integrity, morality as well as being accepted generally. Their knowledge and skills include industrial and financial knowledge, management, international trade, strategy, crisis management, corporate governance and others that consistent and beneficial to the Company's operation. Meanwhile, the independent director's qualification regarding shareholding proportion is defined to be more stringent than requirement of the Securities and Exchange Commission as per shown in clause 3: nomination and appointment of director and high-level executive.

5.1.3 To enhance the balance of power, the Chairman of the Board is, therefore, being independent director, who is not the same person as the Managing Director and does not have any relation with the management.

5.1.4 Duties and responsibilities of the Board of Directors and the Management of the Company are separated from each other and are defined in writing clearly.

5.1.5 The directors hold the term of office as stipulated in the Company's Articles of Association, which reads "At each annual general meeting of shareholders, 1/3 of the directors must retire from office. The directors who have been the longest in office shall retire first." Nonetheless, number of years of independent directors' term of office and number of consecutive terms for directors are not defined due to the inadequacy of person who has knowledge and experience relevant to the Company's business.

5.1.6 The Board of Directors is well aware of its role in performing duties efficiently; therefore, in compliance with policy; each member of the Board is able to perform as director for not more than 5 of listed companies. In the meantime, besides of the Company's subsidiary and associates company, the Company's Managing Director is able to take position of director or managing director for other companies if being approved by the company's Board of Directors.

5.1.7 The Company's Assistant Director of the Corporate Secretary & Social Affairs is expert of law and has taken corporate secretary training course and other relevant courses as per shown in attached document 1.

5.1.8 The Company has imposed policy regarding appointing its directors or employees to be directors or executives in its subsidiaries including operational monitoring system and operational conducting direction for its subsidiaries to ensure that the Company is able to oversee its subsidiaries' performances efficiently.

Further, the Company has established committees to assist on studying projects in details and screening works to enhance working efficiency of the Board of Directors and ensure its transparency. Detail of the said committees is shown in clause 2: Corporate governance.

5.2 Role, Duties and Responsibilities of the Board of Directors

5.2.1 The Board of Director's role is to perform its duties with integrity, due care and accountability for the company's benefits in compliance with laws, objectives and Articles of Association of the Company including resolutions of the shareholders' meeting. Therefore, the Compliance Unit is set up. In year 2015, there was no record of illegal action or any action against the rules and regulations and of the Securities and Exchange Commission and the Stock Exchange of Thailand.

5.2.2 The Board of Directors will consider and review the Company's vision and mission in every 5 years including considering and consenting for important matters regarding the Company's operation such as financial goal strategy, budget, and charters of committee, etc. Moreover, the Board of Directors oversees the Management's compliance on policies and plans as well as sets up monitoring system, improves, assesses and compares operation results with predetermined plans and budgets to ensure highest value for the Company.

5.2.3 The Company clearly separates roles, duties and responsibilities of The Board of Directors and the Management from each other in both of structure and operating aspects. In this regard, scope and delegation of authority of the Management is defined in writing. Meanwhile, the Company has communicated such roles, duties and responsibilities to relevant persons regularly.

5.2.4 The Board of Directors initiates and takes part in preparation and approves for Corporate Governance policy and Code of Conduct in order to ensure adherence of directors, executives and employees on conducting guidelines. Corporate Governance policy and Code of Conduct are publicized throughout organization for acknowledgement as well as disseminated in the Company's website.

5.2.5 The Company has defined Code of Conduct with detail as follows:

- Business ethics.
- Ethics on conflict of interest, for example, shareholders, employees, customers, trade partners, creditors, trade competitors and social & environment.
- Ethics of the Company's director
- Employees' code of conduct, for example, conflict of interest, confidential maintenance, procurement process, use of insider information, anti-fraud and corruption, intellectual property and use of information technology, etc.
- Compliance monitoring and disciplines

The Company promotes code of conduct compliance as well as stipulates monitoring system on tangible compliance, for example, on line self-assessment arrangement on yearly basis for all executives and employees.

- 5.2.6 The Company prepares good corporate governance training in yearly basis including knowledge on good corporate governance and code of conduct providing regularly to its executives and employees via its internal journal since 2003.
- 5.2.7 The Board of Directors clearly stipulated conflict of interest policy in Code of Conduct of the Company. Further, procedure, rules and regulations regarding conflict of interest and connected transaction are defined in compliance with regulations of the SEC. In case any matter must be approved by the Board of Directors and /or shareholders' meeting, such matter will be firstly considered and screened by the Audit Committee whereby by the Audit Committee will provide comments on such matter accordingly. Nonetheless, in case the Board of Directors has different opinion from the Audit Committee's opinion, the Company will disclose their different opinions as well. In this regard, directors who have stake on any agenda, will have no right to vote on it.
- 5.2.8 The Company has disclosed information regarding its connected transactions with persons who may have conflicts in year 2015. The Board of Directors commented that all connected transactions were reasonable and beneficial to the Company's business as well as being compliance to the regulations of the SEC as per shown in topic "the Connected Transaction".
- 5.2.9 The Company possesses adequate and appropriate internal control system including sufficient workforce to efficiently operate its internal control. Meanwhile, the Company has monitored, overseen its subsidiaries performances to ensure that they are able to protect assets from wrongful actions of their directors and executives. In year 2015, there was no report of wrongful action and deficiency of the internal control system in substantial. Its detail is summarized and shown in the topic "Summary on Internal Control System, Year 2015"
- 5.2.10 The Board of Directors stipulates risk management by focusing on having it applied throughout the whole organization to ensure that the Company will accomplish its objectives as mentioned in its strategic plan. The Risk Management and Strategic Plan Office are responsible for monitoring risk management implementations of every department as well as assessing on strategic objectives accomplishment in yearly basis. In addition, the Company has set trigger points as early warning and has relevant persons to define corrective measures to improve operation results as precaution against severe crisis. In this regard, the Risk Management will consider and summarize risk management operational results and the Audit Committee will review it and have it reported to the Board of Directors in quarterly basis.
- 5.2.11 The Internal audit unit is responsible for assessing the efficiency of the internal control system and risk management including providing reliability and just advices independently to enhance value-added and improve the Company's operation. The Internal audit unit will also prepare auditing report to the Audit Committee and management report to the Managing Director. In addition, the Board of Directors and the Audit Committee consider adequacy of internal control assessment and risk management together with providing their comments on such matters in every year.
- 5.2.12 To ensure the correctness and appropriateness of risk indicators as well as to systemize risk management, the internal audit unit will also review risk indicators or risk factors, which may impact on objectives and risk

management guidelines provided to operative officers. Meanwhile, the internal audit will also report risks to relevant persons in timely manner including continually reviewing risks in quarterly basis.

5.3 The Board of Directors Meeting

5.3.1 The Board of Directors announces the Board Meeting's schedule in advance for 1 entire year, to the directors. The meeting is at least 5 sessions a year, which is proper to the responsibilities of the Company's directors and its business. Nonetheless, special session meeting allowed to be convened as deemed necessary. The Executive Chairman together with the Managing Director will consider determining agenda whereas all board members are entitled to propose agenda items independently. In year 2015, the Company arranged the Board of Directors' meeting for 5 sessions and each director attended meeting regularly for 97.33% of the whole number of meeting sessions.

Detail of meeting attendance of the Board of Directors and Committees are shown in the topic "the Board of Directors".

5.3.2 The Company prepares meeting invitation notice with complete and adequate attached documents for each agenda to directors for at least 5 working days in advance to ensure their sufficiency of time for studying all details before meeting.

5.3.3 Decision of the Board of Directors meeting is reached by a majority of the votes. Each director has 1 vote, with the exception that any director with interest in the issue is not entitled to vote in such matter. In the event of a tie of vote, the Chairman shall give the casting vote. Moreover, the Company has stipulated to form a quorum for a Board meeting, not less than two third of the total numbers of director must attend the meeting.

5.3.4 In each meeting, the Chairman allots sufficient time for the management to propose issues and directors to discuss on them circumspectly and thoroughly. The Executive Chairman also encourages the meeting to exercise discretion carefully. Further, The Board of Directors allows the Managing Director to invite the Executives, who are relevant to proposed issues, to attend the meeting for clarifying and providing additional information. In addition, directors can require for more information from the Corporate Secretary. In case of necessary, the Board of Directors may allow the Company to propose opinions from advisors or experts from outside.

5.3.5 The Company secretary prepares meeting minutes with complete and accurate details such as names of directors who attend and who are absent from the meeting as well as substantial summarization of issues discussion and opinions of each director including resolutions of the Board of Directors. All details are to be clear for shareholders' inspection in accordance to laws. The Company also provides good system for meeting minutes filing and maintenance.

5.4 The Chairman of the Board of Directors and the Managing Director

The Executive Chairman and the Managing Director must be persons who are knowledgeable, capable and possess appropriate experiences and qualifications. They shall not be the same person to ensure balance and business operational review whereby administrative overseeing and operation is separated from each other. Meanwhile, the Chairman of the Board is independent director whose duties are as follows:

1. To call for the Board of Directors Meeting and supervise deliverance of meeting invitation notice including documents to ensure that the Board's members will receive adequate information in timely manner.

2. To perform as Chairman in the Board of Directors Meeting, supervise the meeting to be processed in accordance to predetermined agenda, laws and the Company's Articles of Association as well as allots appropriate time for meeting.
3. To perform as Chairman in the shareholders' meeting, supervise the meeting to be processed in accordance to predetermined agenda, laws and the Company's Articles of Association
4. To perform specific duties of the Chairman of the Board of Directors as stipulated by laws.

The managing Director is Head and Leader of the Company's Executives, who is responsible for business operation and management in order to achieve goals of as mentioned in policies and strategic plans of the Company.

5.5 Non-Executive Directors Meeting

The Board of Directors encourages Non-Executive Directors to meet each other as deemed necessary in order to discuss various issues being attentive without participation of the Management. In year 2015, there was 1 meeting of directors without executive to participate whereby the meeting results were notified to the Managing director.

5.6 Self-Assessment of the Board of Directors

Although the Board of Directors and Board Committees of the Company have performed duties fully, to continually enhance their efficiency, the Company provides performance assessment accordingly. The performance assessment of the Board of Directors and Board Committees is divided into 2 kinds; assessment for the Board's performance and individual self-assessment. For the Remuneration Committee, the Nominating and Corporate Governance Committee and the Risk Management Committee, each committee's performance is assessments as the whole committee. Assessment criteria for the Board of Directors and Board Committees are aligned in the same direction and regularly reviewed to be appropriate and consistent with self-assessment sample introduced by the Board of Directors of the Stock Exchange of Thailand.

The Company Secretary and Committees' Secretaries will submit assessment forms to directors and then return them to the Company whereby the Company will not disclose names of assessors to ensure independency of directors. Further, the Company will present assessment results to the Board of Directors and Board Committees meeting for mutual consideration and stipulation performance improving measure. In year 2015, assessment results of the Board of Directors and Board Committees were "very good to excellent".

Criteria in self-assessment of the Company's direction include 6 main points as: 1. Qualifications of director; 2. Term of office of director; 3. Remuneration of director; 4. Meeting attendance; 5. Role, duties and responsibilities of director; and 6. Training program and other information. For assessment form of the whole Boards, its criteria include 6 main points as: 1. Composition of the Board of Directors; 2. Role, duties and responsibilities of the Board of Directors; 3. Appointment of director and special director; 4. the Board of Directors meeting; 5. Shareholders meeting; and 6. Information report.

Furthermore, the Company arranges the Board of Directors meeting effectiveness assessment regularly after each meeting. Its results will be informed in the next meeting. Its result in overall of year 2015 was summarized to be good to very good

5.7 Managing Director's Performance Assessment

The Company arranges the Managing Director's Performance Assessment in yearly basis whereby the Remuneration Committee will be assessor and present its results to the Board of Directors for its consent. The summary of Managing

Director's Performance Assessment is deemed confidential. Criteria of Managing Director's Performance Assessment are divided into 3 parts as: 1. Operational results of the Company; 2. Strategic plans of the Company; and 3. Behavior and Management. The assessment results will be considered for the Managing Director's compensation adjustment in which will be proposed to the Remuneration Committee and the Board of Directors for approval.

5.8 Remunerations

Remuneration for Director: the Company's Remuneration Committee is responsible for considering remuneration provided to its director. The remuneration consideration process is clearly and transparently defined as well as being approved by the shareholders' meeting. The remuneration for director is appropriate with duties and responsibilities assigned while being in the same range of the same business industry or business in the same size. Meanwhile, it is attractive enough to maintain qualified director as required. In addition, the Company's director who is assigned for more duties will receive higher remuneration as well.

Remuneration for Managing Director: the Board of Directors takes charge in approving the remuneration of managing director which screened by the Remuneration Committee in accordance to employment agreement. As agreed, Key Performance Indicators (KPIs) is applied for managing director annual assessment which includes the Company's operational results assessment and strategic plans assessment in terms of financial, customer, business process, and learning & growth together with other criteria as per approved by the Board of Directors. The Managing Director as executive director who has stake will not involve in remuneration considering process, but will be informed its results by the Chairman of the Board.

Remuneration for Management: the Company defines remuneration for management in accordance to procedure and policy stipulated by the Board of Directors, which is linked to the operational results of the Company in each year including operational performance of each executive, which assessed by using key performance indicators (KPIs) system. The Company discloses remuneration of directors and high-level executives in the topic "Management - Remuneration for Director and Executive Structure".

5.9 Director and Executive Development

- 5.9.1 The Company promotes and facilitates by providing training programs to its directors, executives and all employees so that they can be able to improve their performances consistently.
- 5.9.2 The Board of Directors has prepared guidelines for "Good Corporate Governance policy" and has it distributed to all directors. The Board also has its content improved to be up-to-date so that the Company's directors will realize crucial measures relevant to the Board of Directors and Board of Committees. Meanwhile, the guidelines also include major policies and important information of the Company provided to ensure capabilities of directors to perform their roles efficiently in corporate governance.
- 5.9.3 The Company also organizes orientation program for new directors whereby the Managing Director and relevant Executives together with the Corporate Secretary will present information regarding shareholding structure, business characteristics, the Company's business operation, important financial information, the Corporate Group, the Board of Directors meeting including other information.
- 5.9.4 The Company places importance on director training programs and seminar courses in order to develop knowledge and capabilities of all directors. The Company encourages its directors to take courses such as director course organized by Thai Institute of Directors (IOD), anti-corruption training program, etc. Currently, the Company's directors have taken courses related to role and responsibilities of director.

The Remuneration Committee, then, shall use such information for determining appropriate compensation for both of short and long terms.

In 2015, there were 3 directors included Mr. Prakobkiat Ninnad , Mr. Aswin Kongsiri and Mr. Pipat Purnananda who participated in the 4th National Director Conference 2015: Re-energizing Growth Through Better Governance, which organized by the IOD. Moreover, the Company arranged internal seminar regarding anti-corruption measure for its directors as well.

5.10 Succession Plan

The Board of Directors recognizes that human resource is key factor for organization development to achieve sustainability, particularly, human resource in levels of managing director and executive. Therefore, the Company promotes preparedness of successor policy for taking charge in organizational business management systematically. To ensure capabilities of human resource in management level; thus, the Company defines selective process with clear, tangible and transparent criteria with compliance to corporate governance principles and Code of Conduct to accomplish organization's goal.

The Company has proper and transparent guidelines for selective process of persons who will be positioned in management and high management levels that has been set in advance to ensure that the Company will have executives who possess integrity, capabilities and readiness in every aspect to develop organization's competitiveness and sustainability. The Company defines for selective process as follows:

1. Managing Director

The Company shall select candidates with capabilities both from inside and outside of the organization. The Board of directors and the Executive Chairman shall consider the list of potential candidates to take the tests such as leadership, vision, knowledge, and management capability which are consistent to the core value.

2. Deputy Director and Director

When positions of Deputy Director and Director are going to be vacant, the Company will select competent employees from manager level within the organization with criteria as follows:

2.1 Evaluating competence of the candidates.

2.2 Taking tests such as English language, capability and skill, managerial thinking, work presenting, and vision. Then, being interviewed by committee which comprises high-level executives.

2.3 Setting human development plan for chosen executives to ensure their preparedness for the vacant position.

2.4 Upon taking position, probation period will be specified. Then, after probation, operational assessment by KPIs will be applied systematically.

Succession Plan is guidelines which can reduce problem regarding insufficiency of human resource for important positions. The Company evaluates its workforce periodically including seeking, preparing and developing human resource consistently, which is one element of sustainable good corporate governance.

In addition, as the Company has committed in continuing its good corporate governance, the company has been evaluated to be excellent organization in terms of corporate governance by the Thailand Institute of Director (IDO) for 7 consecutive years.

Management Discussion and Analysis of Operating Results For the Year Ended December 31, 2015



1. Report and Analysis of the Operating Results

In 2015, the airlines, Low-Cost Carriers or LCCs have increased the number of passengers and the flights at high rates. Combining with the Airports of Thailand Plc. (AOT) has developed the ability to accommodate passengers of Don Mueang Airport (DMK) from 18 million to 30 million passengers per year by reopening the terminals 2 in December, 2015. While Suvarnabhumi Airport (BKK) still remains the base airport of the country which has been growing steadily. BKK has the outstanding passenger services up to 52 million, which exceeds the ability to accommodate passengers of its at 45 million passengers per year. Consequently, the amount of services volume at BKK and DMK totaling up to 5,283.6 million liters, with the growth rate increased by 8.8% (y-o-y) and the total flights increased by 18.0% (y-o-y).

Such the growth was mainly driven by the increase in the number of flights and the services volume of at DMK by 31.9% (y-o-y) and 45.3% (y-o-y), while the number of flights of BKK increased by 10.0% (y-o-y) and the services volume increased by 3.3% (y-o-y) respectively.



	2015	2014	(y-o-y)	Q4/2015	Q4/2014	Q3/2015	Growth (y-o-y)	Growth (q-o-q)
Jet Fuel Volume (mil litres)	5,283.6	4,855.0	8.8%	1,382.3	1,289.5	1,276.6	7.2%	8.3%
Flights	271,483	230,024	18.0%	71,083	63,328	67,483	12.2%	5.3%

Currently at the two main airports, the company has nine customers which are oil companies. The marketing strategies of the company are;- To be a representative of aviation fuel services provider of oil companies which has been entrusted to take care of its clients, airlines, with on time services, maintain the quality of aviation fuel to the standards and provides services with safety under the strictly emphasis on Good Corporate Governance practices.

Total revenue for 2015 of the Group was Baht 3,359.7 million increased by Baht 334.9 million or 11.1% compared with 2014 at Baht 3,024.8 million. The services revenue was Baht 3,327.9 million increased by Baht 346.9 million or 11.6%. The Group had a net profit of Baht 957.7 million, an increase of Baht 199.9 million or 26.4%, compared with 2014 at Baht 757.8 million. The net profit margin was 28.5% which increased from 25.1% of 2014, representing earnings per share at Baht 1.50 per share, compared with Baht 1.19 per share of 2014.

Table summarizes the operating results of the Group

(Unit: Million Baht)

	2015	2014	(y-o-y)	Q4/2015	Q4/2014	Q3/2015	Growth (y-o-y)	Growth (q-o-q)
Services income	3,327.9	2,981.0	11.6%	876.0	795.2	809.1	10.2%	8.3%
Other income	31.8	43.8	(27.4%)	10.6	9.0	6.7	17.8%	58.2%
Total revenues	3,359.7	3,024.8	11.1%	886.6	804.2	815.8	10.2%	8.7%
Costs of service	1,449.2	1,380.4	5.0%	426.5	396.4	337.9	7.6%	26.2%
Administrative expenses	564.9	547.3	3.2%	216.0	175.7	105.3	22.9%	105.1%
Total expenses	2,014.1	1,927.7	4.5%	642.5	572.1	443.2	12.3%	45.0%
EBIT	1,345.6	1,097.1	22.7%	244.1	232.1	372.6	5.2%	(34.5%)
EBIT Margin	40.1%	36.3%		27.5%	28.9%	45.7%		
Depreciation and amortization	498.0	474.2	5.0%	128.2	123.6	127.2	3.7%	0.8%
EBITDA	1,843.6	1,571.3	17.3%	372.3	355.7	499.8	4.7%	(25.5%)
EBITDA Margin	54.9%	51.9%		42.0%	44.2%	61.3%		
Finance cost	(83.2)	(101.9)	(18.4%)	(20.2)	(23.5)	(22.8)	(14.0%)	(11.4%)
Income tax expenses	(263.2)	(199.8)	31.7%	(49.2)	(46.3)	(70.5)	6.3%	(30.2%)
Net Profit to Equity holders								
of the Company	957.7	757.8	26.4%	167.8	154.2	268.3	8.8%	(37.5%)
Net Profit Margin	28.5%	25.1%		18.9%	19.2%	32.9%		
Earning per share	1.50	1.19		0.26	0.24	0.42		

1.1 Revenue

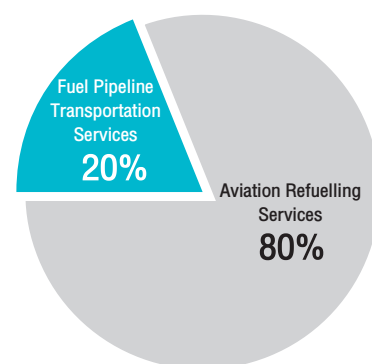
For 2015, total revenues of the Group was Baht 3,359.7 million which comprising of

1.1.1 Services Income

Total services income of the Group in 2015 was Baht 3,327.9 million, an increase of Baht 346.9 million or 11.6% from 2014 which was at the amount of Baht 2,981.0 million. Because of the total aviation fuel services volume at BKK and DMK has grown by 8.8% (y-o-y) and total multi-products of fuel volume of FPT has grown by 11.6% (y-o-y) to 4,372 million liters.

For the income proportion separating by business structure consisted of Aviation refuelling services at 80% and Fuel pipeline transportation services at 20% respectively.

Services Income structure of 2015



1.1.2 Other Income

Other income was Baht 31.8 million, a decrease of Baht 12.0 million or 27.4% (y-o-y). The main reasons for decreasing were the Company adjusted the effective rate of interest income in accordance with Accounting Standard and the declining of interest income from investments.

1.2 Expenses

1.2.1 Cost of services

In 2015, Cost of services was Baht 1,449.2 million, an increase of Baht 68.8 million or 5.0% from Baht 1,380.4 million in 2014. Such an increasing were a result of higher depreciation and an increase in the direct labor cost. The gross profit margin of 2015 was 56.5% which have risen from 53.7% of 2014.

1.2.2 Administrative Expenses

Administrative expenses in 2015, was Baht 564.9 million, increasing by Baht 17.6 million or 3.2% from Baht 547.3 million in 2014. Consequently, EBIT for 2015 amounted to Baht 1,345.6 million, an increase from 2014 by Baht 248.5 million or 22.7%, representing EBIT Margin at 40.1% higher than 36.3% of 2014.

Total expenses, Cost of services and Administrative expenses in 2015 was amounted to Baht 2,014.1 million, an increase of Baht 86.4 million, or 4.5% (y-o-y), from Baht 1,927.7 million in 2014, with the rate of increase is lower than the increment rate of the total income. The increasing in total expenses are comprise of:- depreciation and amortization totaled Baht 498.0 million, increasing by Baht 23.8 million or 5.0% (y-o-y), personnel expenses and other benefits totaled Baht 720.5 million, increasing by Baht 80.4 million or 12.6% (y-o-y), and the airport concession and refuelling fee totaled Baht 238.3 million, increased by Baht 6.8 million or 3.0% (y-o-y). EBITDA was amounted to Baht 1,843.6 million, increasing by Baht 272.3 million or 17.3% (y-o-y) which accounted for EBITDA Margin at 54.9%, higher than last year at 51.9%.

1.2.3 Finance Costs

Finance costs for 2015 was Baht 83.2 million, decreased by Baht 18.7 million or 18.4% (y-o-y) which were comprised of the Interest expenses on long-term loan and financial lease of Baht 61.3 million and interest costs from the calculation of the present value of the employee benefit obligations according to Labor Protection was Baht 21.9 million.

1.3 Operating Results

Net profit of the Group in 2015 was Baht 957.7 million, increased by Baht 199.9 million or 26.4% from 2014 which earned profit in the amount of Baht 757.8 million. This represent net profit margin of 28.5% and EPS was at Baht 1.50 per share. While the net profit derived from the Aviation refuelling services by 85% and from the Fuel pipeline transportation services by 15%.

The reason of improving in operating result was tourism industry has continued to recover as a cause of increasing in number of flights and services volume of Jet fuel while there were no costs to rise significantly. The increase in expenses was lower than the increase in revenue. As a result, net profit margin increased to 28.5% when compared with 25.1% of 2014.

For 2015, the Aviation refuelling services has the net profit growth around 27% (y-o-y) while the net profit growth of Fuel pipeline transportation services was around 24% (y-o-y).

2. Report and Analysis of Financial Status

2.1 Assets

As at December 31, 2015 the Group had total assets in the amount of Baht 8,540.5 million, increased by Baht 305.3 million or 3.7% from December 31, 2014. The important details of cash flow were as follows:

2.1.1 Cash and cash equivalent of Baht 1,289.6 million which cash flow summarized for the 2015 were below:

- The Group's net cash from operation was Baht 1,528.3 million, increased by Baht 144.6 million or 10.4% from 2014 which had the net cash from operation at the amount of Baht 1,383.7 million.
- Cash from investment activities of Baht 475.6 million, decreased by Baht 213.7 million or 31.0% which mainly was of cash paid for property, leasehold improvement and equipment about the construction of aviation fuel storage tanks at BKK and DMK and the investment in the high pressure fuel pipeline, Hydrant pipeline, and the Hydrant pipeline system design for the expansion project-Phase2 of TARCO.
- Net cash used in financing activities of Baht 800.6 million, decreased by Baht 4.2 million or 0.5% (y-o-y). These included cash dividends of Baht 450.1 million and repayment for long-term loan and financial lease agreements were Baht 381.5 million including the withdrawal of long-term loan of Baht 13.6 million by TARCO for the expansion of Hydrant pipeline project at BKK and Baht 102.0 million of FPT for the construction of Diesel storage tanks project at DMK depot, respectively.

2.1.2 Property, leasehold improvement and equipment at December 31, 2015 was Baht 4,401.5 million, increased by Baht 96.8 million or 2.2% (y-o-y).

2.1.3 Project costs under concession agreements was Baht 1,870.1 million which comprise of Into-plane substation project of Baht 121.5 million, Hydrant equipment of Baht 1,180.1 million, Concession of a subsidiary of Baht 530.9 million and Right to use leased land related to concession agreement of Baht 37.6 million.

2.2 Liabilities

As at December 31, 2015, the Group had total liabilities of Baht 2,876.3 million, decreased by Baht 146.5 million or 4.8% and Debts to equity ratio was 0.51 : 1 time which declining from 0.58 : 1 time and the Interest bearing debts to equity ratio was 0.20 : 1 time which declining from 0.27 : 1 time when compared with these ratios of December 31, 2014. The liabilities comprised of major items which are follows:

2.2.1 Account payable and others account payable was Baht 163.1 million.

2.2.2 Long term loan from banks, which are due within one year, was Baht 377.4 million which were belonged to BAFS at the amount of Baht 337.0 million and FPT at the amount of Baht 40.4 million.

2.2.3 Long-term loans from banks were Baht 1,088.9 million, decreased by Baht 261.8 million from December 31, 2014, or 19.4%. This comprises of:

BAFS

- Long term loan from KBANK was Baht 88.9 million due on August 31, 2018 which was semi-annual, principal repayment: Baht 22.2 million/period (the last repayment will be made for remaining principal) at rate of THBFIX 6-month plus percent per annum of fixed rate and Company made an interest rate hedging agreement at the percent of fixed rate per annum
- Long term loan from BBL was Baht 334.4 million due on December 31, 2018 which was quarterly, principal repayment: Baht 41.9 million/period (the last repayment will be made for remaining principal) at rate of 3-month fixed deposit rate plus percent of fixed rate per annum
- Long term loan from TBANK was Baht 70.0 million due on November 28, 2018 which was every 3 months, principal repayment: Baht 6.25 million/period (the last repayment will be made for remaining principal) at rate of MLR minus percent of fixed rate per annum
- Long term loan from BBL was Baht 225.0 million due on September 30, 2019 which was quarterly, principal repayment: Baht 25.0 million/period (the last repayment will be made for remaining principal) at rate of MLR minus percent of fixed rate per annum

FPT

- Long term loan from BBL was Baht 18.0 million due on May 31, 2020 which was quarterly, principal repayment: Baht 3.5 million/period at the rate of MLR minus percent of fixed rate per annum

- long term loan from BBL was Baht 194.5 million for the investment in the 3 Diesel Fuel Tanks project at DMK depot. The loan will be due on May 31, 2024 which was monthly principal repayment at Baht 2.2 million at the rate of MLR minus percent of fixed rate per annum

TARCO

- Long term loan from TMB was Baht 158.2 million, which TARCO had a loan agreement for Baht 550 million to expand investment in the Hydrant pipeline project at BKK Airport. TARCO has been granted a 3- year grace period. The loan will be due on December 31, 2021 which was quarterly principal repayment at Baht 27.5 million at the rate of BIBOR 3-month plus percent of fixed rate per annum

2.2.4 Long-term debt of FPT under rehabilitation plan with Bangchak Petroleum Plc. was Baht 20.6 million.

2.2.5 The Employee benefit obligations was Baht 879.1 million according to Labor Protection Laws as TAS no.19 on employee benefits.

2.2.6 Provisions that may arise in the future from relocation of FPT's pipeline in some part due to the construction of the Subway Red Line which was around Baht 85.6 million (in 2015, FPT already paid for dismantling the pipeline around Baht 14 million).

2.3 Shareholders' Equity

As at December 31, 2015, shareholders' equity was Baht 5,664.2 million which increased from December 31, 2014 by Baht 451.8 million or 8.7% as a result the book value per share increased to Baht 8.89 from Baht 8.18.

Report on the Board of Director's Responsibilities towards the Annual Financial Statements 2015

The Board of Directors recognizes duties and responsibilities in overseeing the Company's financial statements preparation to ensure its efficiency. The financial information disclosure in the annual report must be adequate with accurate and transparent accounting information in order to retain assets of the Company and prevent significant fraud and wrongdoing. The Board of Directors also imposes appropriate accounting policy as well as complies with financial reporting standard whiles having them applied regularly with discretion and reasonable forecast. Meanwhile, sufficient, useful and important information is disclosed to shareholders and investors to have them to acknowledge the Company's actual financial status and operating results in a timely manner.

The Board of Directors appointed the Audit Committee included independent directors who are experienced and qualified as required by the office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to perform auditing duty in accordance to the regulations of the SET. The Audit Committee shall review to ensure accuracy and adequacy of the Company's financial reporting information, internal control, internal audit and risk management. Moreover, the Audit Committee also review compliances on laws governing securities and stock exchange, regulations of the Stock Exchange of Thailand and other laws relevant to the Company's business including obligations and connected transactions which may cause conflicts of interests. In addition, the Audit Committee shall propose independent person to take charge as the Company's auditor together with detail of auditor's fee. The opinions of the Audit Committee appear in the Audit Committee's report which is shown in this annual report.

The Board of Directors agreed with the Audit Committee's opinion that the consolidated financial statements of the Company and its subsidiaries as well the financial statements of the Company are accurate in all material respect in accordance to general accepted accounting principles.



(Mr. Palakorn Suwanrath)
Chairman of the Board of Directors



(Mr. Prakobkiat Ninnad)
Managing Director



Financial Statements Report

Independent Auditor's Report

To the Shareholders of Bangkok Aviation Fuel Services Public Company Limited

I have audited the accompanying consolidated financial statements of Bangkok Aviation Fuel Services 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 Aviation Fuel Services 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.

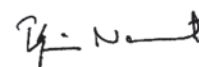
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Aviation Fuel Services Public Company Limited and its subsidiaries and of Bangkok Aviation Fuel Services 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.



Thipawan Nanauwat
Certified Public Accountant (Thailand) No. 3459
EY Office Limited
Bangkok: 17 February 2016

Statement of financial position

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Assets					
Current assets					
Cash and cash equivalents	7	1,289,604,137	1,037,454,942	589,808,262	425,339,335
Current investments	8	211,730,223	208,546,516	205,588,749	203,286,090
Trade and other receivables	9	341,414,349	307,200,777	277,016,386	253,016,114
Inventories		27,790,607	28,062,844	13,743,213	15,308,935
Current portion of long-term loan to and receivable from related party	6	-	-	71,579,927	71,579,927
Other current assets		67,446,388	72,547,408	44,013,553	47,658,815
Total current assets		1,937,985,704	1,653,812,487	1,201,750,090	1,016,189,216
Non-current assets					
Restricted bank deposits	18	11,348,390	10,010,019	-	-
Long-term investment		1,989,046	1,986,656	-	-
Investment in subsidiaries	10	-	-	1,974,239,237	1,974,239,237
Long-term loan to and receivable from related party, net of current portion	6	-	-	363,856,819	483,164,505
Investment property	11	47,953,340	47,953,340	47,953,340	47,953,340
Property, leasehold improvement and equipment	12	4,401,531,155	4,304,769,037	2,620,459,027	2,603,392,894
Projects costs under concession agreements	13	1,870,093,678	1,967,253,015	159,074,567	173,726,986
Right to use assets under lease agreements	14	42,437,318	46,117,102	-	-
Intangible assets	15	38,614,604	37,164,700	34,400,075	32,640,952
Deferred tax assets	25	177,680,712	153,033,030	150,043,854	134,440,929
Other non-current assets		10,910,694	13,143,780	9,554,424	11,844,070
Total non-current assets		6,602,558,937	6,581,430,679	5,359,581,343	5,461,402,913
Total assets		8,540,544,641	8,235,243,166	6,561,331,433	6,477,592,129

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

Statement of financial position (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	16	163,066,464	191,929,716	159,611,081	185,199,648
Current portion of liabilities under finance lease agreement	17	16,262,624	15,310,772	21,823,569	20,710,269
Current portion of long-term loans	18	377,444,460	357,644,460	337,044,460	337,044,460
Current portion of long-term liabilities under rehabilitation plan	19	4,602,768	4,849,464	-	-
Current portion of provision for land leased related to concession agreement	20	3,195,571	2,784,318	3,195,571	2,784,318
Corporate income tax payable		79,055,831	48,586,971	36,176,838	15,853,010
Other current liabilities		57,045,515	46,445,207	46,790,955	39,064,936
Total current liabilities		700,673,233	667,550,908	604,642,474	600,656,641
Non-current liabilities					
Liabilities under finance lease agreement, net of current portion	17	16,418,495	26,726,965	82,670,003	98,539,418
Long-term loans, net of current portion	18	1,088,915,502	1,350,713,717	718,288,794	1,055,333,254
Long-term liabilities under rehabilitation plan, net of current portion	19	20,606,380	27,481,751	-	-
Provision for land leased related to concession agreement, net of current portion	20	48,492,674	51,687,224	48,492,674	51,687,224
Provision for long-term employee benefits	21	879,101,918	758,740,003	736,671,601	662,162,736
Provision	30.4	85,630,000	100,000,000	-	-
Other non-current liabilities		36,507,763	39,945,815	18,158,372	14,576,797
Total non-current liabilities		2,175,672,732	2,355,295,475	1,604,281,444	1,882,299,429
Total liabilities		2,876,345,965	3,022,846,383	2,208,923,918	2,482,956,070

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

Statement of financial position (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Shareholders' equity					
Share capital					
Registered					
637,496,657 ordinary shares of Baht 1 each (2014 : 509,998,044 ordinary shares of Baht 1 each)	22	637,496,657	509,998,044	637,496,657	509,998,044
Issued and fully paid-up					
637,496,153 ordinary shares of Baht 1 each (2014: 509,997,325 ordinary shares of Baht 1 each)	22	637,496,153	509,997,325	637,496,153	509,997,325
Share premium		434,975,000	434,975,000	434,975,000	434,975,000
Retained earnings					
Appropriated - statutory reserve	23	63,749,666	50,999,804	63,749,666	50,999,804
- other reserve		1,493,759,681	1,356,087,158	1,493,759,681	1,356,087,158
Unappropriated		2,780,132,201	2,617,998,984	1,722,427,015	1,642,576,772
Equity attributable to owners of the Company		5,410,112,701	4,970,058,271	4,352,407,515	3,994,636,059
Non-controlling interests of the subsidiaries		254,085,975	242,338,512	-	-
Total shareholders' equity		5,664,198,676	5,212,396,783	4,352,407,515	3,994,636,059
Total liabilities and shareholders' equity		8,540,544,641	8,235,243,166	6,561,331,433	6,477,592,129

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

Statement of comprehensive income

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss:					
Revenues					
Service income		3,327,863,584	2,980,995,143	2,062,757,772	1,821,886,562
Dividend income	10	-	-	254,645,327	247,802,547
Other income		31,777,435	43,846,906	111,915,670	122,062,441
Total revenues		3,359,641,019	3,024,842,049	2,429,318,769	2,191,751,550
Expenses					
Costs of service		1,449,179,288	1,380,438,748	965,520,457	918,523,343
Administrative expenses		564,902,275	547,255,905	380,551,340	372,969,486
Total expenses		2,014,081,563	1,927,694,653	1,346,071,797	1,291,492,829
Profit before finance cost and income tax expenses		1,345,559,456	1,097,147,396	1,083,246,972	900,258,721
Finance cost		(83,234,803)	(101,900,172)	(77,707,638)	(99,305,958)
Profit before income tax expenses		1,262,324,653	995,247,224	1,005,539,334	800,952,763
Income tax expenses	25	(263,230,135)	(199,836,023)	(151,697,993)	(112,590,150)
Profit for the year		999,094,518	795,411,201	853,841,341	688,362,613
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses	21	(87,012,869)	(43,557,559)	(57,497,959)	(43,557,559)
Income tax effect	25	17,393,829	8,711,512	11,499,592	8,711,512
Other comprehensive income for the year		(69,619,040)	(34,846,047)	(45,998,367)	(34,846,047)
Total comprehensive income for the year		929,475,478	760,565,154	807,842,974	653,516,566

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

Statement of comprehensive income (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit attributable to:					
Equity holders of the Company		957,693,912	757,750,893	853,841,341	688,362,613
Non-controlling interests of the subsidiaries		41,400,606	37,660,308		
		999,094,518	795,411,201		
Total comprehensive income attributable to:					
Equity holders of the Company		890,125,948	722,904,846	807,842,974	653,516,566
Non-controlling interests of the subsidiaries		39,349,530	37,660,308		
		929,475,478	760,565,154		
Basic earnings per share					
Profit attributable to equity holders of the Company	26	1.50	1.19	1.34	1.08

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

Cash flow statement

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

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	1,262,324,653	995,247,224	1,005,539,334	800,952,763
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:-				
Depreciation and amortisation	498,019,259	474,182,029	253,655,869	238,371,718
Loss from write-off withholding tax	-	165,607	-	-
Loss (gain) on disposal of equipment and intangible assets	3,317	1,314,650	5,236	(814,754)
Unrealised loss on exchange	299,139	335,654	358,959	338,417
Dividend income	-	-	(254,645,327)	(247,802,547)
Long-term employee benefits expenses	51,797,284	44,606,819	38,063,434	37,409,744
Interest income	(16,597,122)	(21,454,047)	(33,073,670)	(47,824,979)
Interest expenses	83,234,803	101,900,172	77,707,638	99,305,958
Income from operating activities before changes in operating assets and liabilities	1,879,081,333	1,596,298,108	1,087,611,473	879,936,320
Operating assets (increase) decrease				
Trade and other receivables	(34,572,531)	(9,709,119)	(24,359,231)	(5,280,243)
Inventories	272,237	1,305,246	1,565,722	2,593,736
Other current assets	2,545,101	10,256,924	941,244	6,434,851
Other non-current assets	2,233,086	19,315,167	2,289,646	19,179,881
Operating liabilities increase (decrease)				
Trade and other payables	(27,864,532)	47,738,030	(24,589,847)	17,861,301
Other current liabilities	10,600,308	(6,024,072)	7,726,020	(5,949,685)
Provision for long-term employee benefits	(40,404,774)	(51,396,466)	(39,555,024)	(51,396,466)
Provision	(14,370,000)	-	-	-
Other non-current liabilities	(9,100,129)	11,856,533	(2,080,502)	(115,567)
Cash flows from operating activities	1,768,420,099	1,619,640,351	1,009,549,501	863,264,128
Cash paid for corporate income tax	(240,166,288)	(235,967,711)	(135,477,498)	(126,520,742)
Net cash flows from operating activities	1,528,253,811	1,383,672,640	874,072,003	736,743,386

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

Cash flow statement (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Decrease (increase) in current investment	(3,183,707)	(236,549)	(2,302,659)	536,052
Increase in long-term investment	(2,390)	(1,986,656)	-	-
Decrease in long-term loan to and receivable from related party	-	-	119,307,686	71,579,927
Decrease (increase) in restricted bank deposits	(1,338,371)	2,026,349	-	-
Interest received	19,304,201	20,274,622	35,777,688	46,560,216
Dividend income from subsidiaries	-	-	254,645,327	247,802,547
Acquisitions of property, leasehold improvement and equipment	(482,293,698)	(690,491,028)	(246,037,588)	(326,727,084)
Acquisitions of intangible assets	(8,343,459)	(21,799,282)	(7,010,810)	(19,324,080)
Proceed from disposal of property, leasehold improvement and equipment and intangible assets	280,496	2,917,950	253,271	1,881,365
Net cash flows from (used in) investing activities	(475,576,928)	(689,294,594)	154,632,915	22,308,943
Cash flows from financing activities				
Repayment of liabilities under finance lease agreements	(16,712,050)	(12,841,241)	(26,800,467)	(26,946,825)
Cash receipt from long-term loans	115,646,245	269,980,463	-	-
Repayment of long-term loans	(357,644,460)	(458,064,460)	(337,044,460)	(337,044,460)
Repayment of long-term liabilities under rehabilitation plan	(7,122,067)	(4,911,649)	-	-
Dividend paid	(450,071,518)	(499,777,568)	(450,071,518)	(499,777,568)
Dividend paid to non-controlling interests of subsidiaries	(27,602,067)	(26,576,042)	-	-
Interest paid	(57,081,591)	(72,548,117)	(50,319,546)	(67,652,159)
Net cash flows used in financing activities	(800,587,508)	(804,738,614)	(864,235,991)	(931,421,012)
Unrealised gain on exchange for cash and cash equivalents	59,820	2,763	-	-
Net increase (decrease) in cash and cash equivalents	252,149,195	(110,357,805)	164,468,927	(172,368,683)
Cash and cash equivalents at beginning of year	1,037,454,942	1,147,812,747	425,339,335	597,708,018
Cash and cash equivalents at end of year	1,289,604,137	1,037,454,942	589,808,262	425,339,335
Supplemental cash flow information:				
Non-cash transactions				
Acquisitions of vehicles and equipment under finance lease agreements	6,468,748	34,493,348	6,468,748	37,885,464
Write-off equipment with liabilities under finance lease agreement	1,429,932	801,215	1,429,932	-
Stock dividend paid	127,498,828	-	127,498,828	-

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

Statement of changes in shareholders' equity

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements						
	Equity attributable to owners of the Company			Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary
	Issued and fully paid-up share capital	Share premium	Legal reserve	Appropriated	Other reserve		
				Unappropriated			
Balance as at 1 January 2014	509,997,325	434,975,000	50,999,804	1,196,033,438	2,554,925,426	4,746,930,993	231,254,246
Profit for the year	-	-	-	-	757,750,893	757,750,893	37,660,308
Other comprehensive income for the year	-	-	-	-	(34,846,047)	(34,846,047)	-
Total comprehensive income for the year	-	-	-	-	722,904,846	722,904,846	37,660,308
Dividend paid from subsidiary	-	-	-	-	-	-	(26,576,042)
Dividend paid (Note 29)	-	-	-	-	(499,777,568)	(499,777,568)	-
Other reserve	-	-	-	160,053,720	(160,053,720)	-	-
Balance as at 31 December 2014	509,997,325	434,975,000	50,999,804	1,356,087,158	2,617,998,984	4,970,058,271	242,338,512
Balance as at 1 January 2015	509,997,325	434,975,000	50,999,804	1,356,087,158	2,617,998,984	4,970,058,271	242,338,512
Profit for the year	-	-	-	-	957,693,912	957,693,912	41,400,606
Other comprehensive income for the year	-	-	-	-	(67,567,964)	(67,567,964)	(2,051,076)
Total comprehensive income for the year	-	-	-	-	890,125,948	890,125,948	39,349,530
Dividend paid from subsidiary	-	-	-	-	-	-	(27,602,067)
Dividend paid (Note 29)	-	-	-	-	(450,071,518)	(450,071,518)	-
Cash dividend	-	-	-	-	-	-	-
Stock dividend	127,498,828	-	-	-	(127,498,828)	-	-
Other reserve	-	-	12,749,862	137,672,523	(150,422,385)	-	-
Balance as at 31 December 2015	637,496,153	434,975,000	63,749,666	1,493,759,681	2,780,132,201	5,410,112,701	254,085,975
							5,664,198,676

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

Statement of changes in shareholders' equity (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements				
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total
			Legal reserve	Other reserve	
Balance as at 1 January 2014	509,997,325	434,975,000	50,999,804	1,196,033,438	3,840,897,061
Profit for the year	-	-	-	-	688,362,613
Other comprehensive income for the year	-	-	-	-	(34,846,047)
Total comprehensive income for the year	-	-	-	-	653,516,566
Dividend paid (Note 29)	-	-	-	-	(499,777,568)
Other reserve	-	-	-	160,053,720	(160,053,720)
Balance as at 31 December 2014	509,997,325	434,975,000	50,999,804	1,356,087,158	3,994,636,059
Balance as at 1 January 2015	509,997,325	434,975,000	50,999,804	1,356,087,158	3,994,636,059
Profit for the year	-	-	-	-	853,841,341
Other comprehensive income for the year	-	-	-	-	(45,998,367)
Total comprehensive income for the year	-	-	-	-	807,842,974
Dividend paid (Note 29)	-	-	-	-	-
Cash dividend	-	-	-	-	(450,071,518)
Stock dividend	127,498,828	-	-	-	(127,498,828)
Other reserve	-	-	12,749,862	137,672,523	(150,422,385)
Balance as at 31 December 2015	637,496,153	434,975,000	63,749,666	1,493,759,681	4,352,407,515

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

Notes to consolidated financial statements

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

For the year ended 31 December 2015

1. General information

Bangkok Aviation Fuel Services Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the aviation fuel service. The registered office of the Company is at 171/2 Kamphang Phet 6 Rd., Don Mueang, Khet Don Mueang, 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 Aviation Fuel Services 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	2014
Intoplane Services Co., Ltd.	Intoplane service	Thailand	83.33	83.33
Thai Aviation Refuelling Co., Ltd.	Hydrant network services	Thailand	90.00	90.00
Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation services	Thailand	91.55	91.55

- 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 shareholder equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries 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 standards that became effective in the current year

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

TAS 19 (revised 2014) Employee Benefits

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

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

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

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

TFRS 12 Disclosure of Interests in Other Entities

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

TFRS 13 Fair Value Measurement

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

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

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance 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. Based on the preliminary analysis, the Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Rendering of services

Service revenue is recognised when services have been rendered and represents the invoice value, excluding value added tax.

Interest income

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

Dividend income

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

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

Spare parts are valued at the lower of cost (first-in, first-out method) and net realisable value and are charged to costs of service whenever consumed.

4.5 Investments

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

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

4.6 Investment property

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

No depreciation is provided for land classified as investment property.

On disposal of investment property, 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, leasehold improvement and equipment/Depreciation

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

Depreciation of leasehold improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold improvement	-	5 - 20 years
Furniture, fixtures and office equipment	-	3 - 10 years
Main depot facilities	-	5 - 28 years, lease period
Hydrant equipment	-	5 - 20 years
Intoplane substation	-	5 - 20 years
Vehicle fleet and motor vehicle	-	3 - 20 years
Motor vehicles and equipment under finance lease agreements	-	lease period

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and equipment under installation.

An item of property, leasehold improvement 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 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Projects costs under concession agreements and amortisation method

The projects costs under concession agreements are stated at cost less accumulated amortisation and allowance for loss on impairment of project costs (if any).

Amortisation of projects costs is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Hydrant equipment	-	Concession period (30 years)
Equipment, building and intoplane substation	-	Concession period (20 years)
Concession of a subsidiary	-	Concession period (30 years)
Right to use lease land related to concession agreement	-	Rental agreement period (20 years)

Amortisation is included in profit or loss.

4.10 Right to use assets under lease agreements

Right to use assets under lease agreements are carried at cost less accumulated amortisation and any accumulated impairment losses (if any).

Right to use assets under lease agreements 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 right to use assets under lease agreements may be impaired. The amortisation period and the amortisation method of such right to use assets under lease agreements are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the right to use assets under lease agreements with finite useful lives is as follows:

	Useful lives
Right to use leased land of subsidiary	17 years and 10 months
Subsidiary's right to use building under land lease agreement	20 years

4.11 Intangible assets

Intangible assets, which are computer software, are stated at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss on a straight-line basis over the economic useful lives of 3 to 10 years.

4.12 Related party transactions

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

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

4.13 Long-term leases

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

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.

4.14 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.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, leasehold improvement and equipment, projects costs under concession agreements, right to use assets under lease agreements and 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.

4.16 Provision for land lease related to concession agreement

The Company records provision for land lease related to concession agreement based on the present value of future rental payment obligations for land used in the provision of service under the concession agreement.

4.17 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 and other long-term employee benefits

Defined contribution plans

The Company and its subsidiaries and its 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 and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans 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 and from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the date, the employee benefits plan is amended.

4.18 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.

4.19 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 recognise 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.

4.20 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

4.21 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 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.

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 (bank and counterparty, both) 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.

Property, leasehold improvement and equipment/Depreciation

In determining depreciation of leasehold improvement and equipment, the management is required to make estimates 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, leasehold improvement 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.

Projects costs under concession agreements, right to use assets under lease agreements and intangible assets/Amortisation

In determining amortisation of projects costs under concession agreements, right to use assets under lease agreements and intangible assets, the management is required to make estimates of the useful lives and residual values of the assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review projects costs under concession agreements, right to use assets under lease agreements and intangible assets 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 to the extent that it is probable that taxable profit will be available against which the temporary differences 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 and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee 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 management of the Company and its subsidiaries have used judgement to assess the outcome of the litigation and believes that the recorded provision is appropriate.

6. Related party transactions

During the year, the Company and its subsidiaries had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties. The Company and its subsidiaries have the following policy on pricing for its related transactions.

1. Cost of service charge from the subsidiaries is based on the actual service and expenses.
2. Rental charges for an office building from the subsidiaries is based on the every year increase and every-3-year increase in the average rate of CPI by the minimum rate of 5 percent but is not exceeding 7 percent from the latest rental charge.
3. Rental charge for receiving pipeline system from the subsidiaries is based on the contract price between the parties.
4. Guarantee fee income is charged at the rate of 1 percent per annum of the guarantee obligation.
5. Interest on loan is charged at the rate of MLR-1.5 percent per annum.
6. Service income is based on the contract price agreed between the parties.
7. Rental charge for receiving pipeline system from the subsidiaries is charged at the rate of 21.50 percent of the annual income received (before discounts and relevant tax) from the transportation of the fuel, JET A-1, via the pipeline system.
8. Rental charge for receiving diesel pipeline system from the subsidiaries is based on the contract price agreed between the parties.

9. Rental charges for land is based on rental expense paid to Treasury Department and plus 5 percent of annual rental.
10. Rental charge for land and building include utilities at Suvarnabhumi Airport to a related company is based on the every year increase in the average rate of CPI but is not exceeding 7 percent of the latest rental charge. For Don Muang Airport, the contract is renewed annually at the agreed price. From 1 July 2013, the rental charge at Don Muang Airport is based on a fixed rate throughout the 3 years lease agreement.
11. The Company has to pay a concession fee for Into-plane service at Suvarnabhumi Airport, at the rate stipulated in the agreement.
12. The subsidiary has to pay a concession fee for Hydrant network system at a rate stipulated in the agreement of the subsidiary's income before deducting expenses.
13. The Company and its subsidiaries have to pay the rental fee for land and space at a rate stipulated in the agreements.
14. The Company has to pay a concession fee for pipeline system at Don Muang Airport. The rental charge is based on the every year increase in the rate of CPI.
15. Lease of the refuelling vehicle from a subsidiary in based on the contract price with the period of 5 years. The repayment is monthly at an equal amounts specified in the contract.
16. Subsidiary's cost of renting land, including utilities, from related party, priced at an agreed rate.

Significant transactions between the Company and its subsidiaries and related parties are as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2015	2014	2015	2014	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Cost of service	-	-	11	9	(1)
Leasing of refuelling vehicle fuel	-	-	-	25	(15)
Rental charges for office building and land	-	-	10	8	(2) (9)
Rental charge for receiving pipeline system	-	-	36	29	(3) (7) (8)
Guarantee fee income	-	-	-	1	(4)
Interest income	-	-	24	32	(5)
Other income	-	-	22	21	(6)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2015	2014	2015	2014	
Transactions with related companies					
Cost of service	4	4	-	-	(16)
Service income	3,328	2,978	2,063	1,822	(6)
Rental changes for land and certain structures	10	10	10	10	(10)
Airport concession fee - Into-plane service	226	220	226	220	(11)
Airport concession fee - Hydrant network system	12	12	-	-	(12)
Rental expense for space and land	25	32	22	27	(13)
Rental expense for pipeline system	20	21	20	21	(14)

The balances of the accounts as at 31 December 2015 and 2014 between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade accounts receivable - related parties (Note 9)				
Related companies (shareholder or common shareholder or representative director)	340,779	305,574	270,404	249,373
Other receivables - related parties (Note 9)				
Subsidiary companies	-	-	6,612	3,643
Related companies (shareholder or common shareholder or representative director)	569	1,182	-	-
Total other receivables - related parties	569	1,182	6,612	3,643
Long-term loan to and receivable from related party				
Subsidiary company				
Fuel Pipeline Transportation Limited	-	-	435,437	554,744
Less: Current portion	-	-	(71,580)	(71,580)
Long-term loan to and receivable from related party - net of current portion	-	-	363,857	483,164
Trade accounts payable - related parties (Note 16)				
Related companies (shareholder or common shareholder or representative director)	42,709	40,545	29,372	27,548

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Other payables - related party (Note 16)				
Subsidiary companies	-	-	58,749	57,785
Related company (shareholder or common shareholder or representative director)	73	34	26	34
Total other payables - related party	73	34	58,775	57,819
Liabilities under finance lease agreement - related parties (Note 17)				
Subsidiary company				
Fuel Pipeline Transportation Limited				
Current portion of liabilities under finance lease agreement	-	-	13,223	12,389
Liabilities under finance lease agreement, net current portion	-	-	73,966	87,189
Long-term liabilities under rehabilitation plan (Note 19)				
Related company (shareholder)	25,209	32,331	-	-
Provision for land lease related to concession agreement (Note 20)				
Related company (shareholder)	51,688	54,471	51,688	54,471
Other non-current liabilities				
Related company (shareholder or representative director)	13,744	13,744	-	-

The movement of long-term loan to and receivable from related party during the year ended 31 December 2015 was as follows:

(Unit: Thousand Baht)

Long-term loan to and receivable	Separate financial statements			
	Balance as at 1 January 2015	Increase during the year	Decrease during the year	Balance as at 31 December 2015
Fuel Pipeline Transportation Limited				
Loans from debt restructuring	98,381	-	(21,158)	77,223
Loans from purchase of debts	456,363	-	(98,149)	358,214
Total	554,744	-	(119,307)	435,437
Less: current portion	(71,580)	-	-	(71,580)
Net of current portion	483,164	-	(119,307)	363,857

The loans are secured by mortgaged oil pipelines and oil depot system of Fuel Pipeline Transportation Limited as collateral under the terms of rehabilitation plan.

Directors and management's remuneration

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	151,535	135,868	84,829	71,066
Post-employment benefits	13,517	10,545	7,537	5,857
Other long-term benefit	81	2	14	2
Total directors and managements remuneration	165,133	146,415	92,380	76,925

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash on hand	560	205	476	120
Deposit with banks and financial institutions	304,095	391,912	49,596	75,439
Bond and promissory note	984,949	645,338	539,736	349,780
Total cash and cash equivalents	1,289,604	1,037,455	589,808	425,339

As at 31 December 2015, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.13 and 1.49 percent per annum (2014: between 0.35 and 2.01 percent per annum) (Separate financial statements: between 0.13 and 1.46 percent per annum (2014: between 0.38 and 1.99 percent per annum)).

8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Fixed deposit	204,589	202,286	204,589	202,286
Others	7,141	6,260	1,000	1,000
Total current investments	211,730	208,546	205,589	203,286

As of 31 December 2015, the Company has fixed deposit of Baht 90 million (2014: Baht 90 million) with a bank to use for support of "The employee housing loan project" which the Company's employees who participate in the project will have privileged on the interest rate at below the market rate. However, the Company is able to withdraw the deposit to use in its normal business operations, and then the interest rate of the employees' loans will be adjusted to the market rate.

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables				
Related parties (Note 6)	340,779	305,574	270,404	249,373
Total trade receivables	340,779	305,574	270,404	249,373
Other receivables				
Related parties (Note 6)	569	1,182	6,612	3,643
Unrelated parties	66	445	-	-
Total other receivables	635	1,627	6,612	3,643
Trade and other receivables	341,414	307,201	277,016	253,016

All the trade receivables of the Company and its subsidiaries are within their credit terms.

10. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2015	2014	2015	2014	2015	2014	2015	2014
Fuel Pipeline Transportation Ltd.	260,664	260,664	91.55	91.55	739,139	739,139	36,752	-
Intoplane Services Co., Ltd.	120	120	83.33	83.33	100	100	-	-
JP-One Asset Co., Ltd.	-	-	-	-	-	-	-	31,912
Thai Aviation Refuelling Co., Ltd.	530,000	530,000	90.00	90.00	1,235,000	1,235,000	217,893	215,890
Total investments in subsidiaries					1,974,239	1,974,239	254,645	247,802

On 1 February 2014, Fuel Pipeline Transportation Limited, a subsidiary, received an entire business transfer from JP-One Asset Company Limited (JP-One), another subsidiary. Fuel Pipeline Transportation Limited issued 24,278,941 ordinary shares with a par value of Baht 5 each, totaling amount Baht 121,394,705 and allocated these shares to JP-One as consideration for JP-One's transfer of entire business to Fuel Pipeline Transportation Limited. On 3 February 2014, Fuel Pipeline Transportation Limited registered the increase of its capital to Baht 260,667,560. As a result of the transfer of business, the Company's shareholding in Fuel Pipeline Transportation Limited increased from 90.72 percent to 91.55 percent.

However, the transfer of business is accounted for as a business combinations under common control. Therefore, there is no significant effect to the consolidated financial statements of the Company and its subsidiaries.

On 17 December 2015, Board of Directors Meeting no. 5/2015 passed the following resolutions.

- 1) Approved the sale of a 16.55 percent investment in the ordinary shares of a subsidiary, Fuel Pipeline Transportation Limited, consisting of 8,628,742 shares, to two unrelated companies at a price of 80 Baht per share, or for a total of Baht 690 million, and reducing the Company's current shareholding of 91.55 percent to 75 percent. The shares were sold in January 2016.
- 2) Approved the acquisition of assets of Fuel Pipeline Transportation Limited (subsidiary), as part of its investment in the expansion of its fuel pipeline system into the Northern Region of Thailand, at a total investment cost of approximately Baht 8,000 million. Funding for this project will come from an increase of approximately Baht 3,400 million in the subsidiary's registered capital and loans from financial institutions for the remaining amount.
- 3) Approved additional investment of approximately Baht 2,550 million in Fuel Pipeline Transportation Limited in proportion to the Company's shareholding, and the assignment to the Chair of the Executive Board of Directors to negotiate and/or take other actions in relation to obtaining credit facilities of up to Baht 2,250 million from financial institutions, including power of attorney to sign agreements and other documents related to those credit facilities.
- 4) Call an Extraordinary General Meeting of Shareholders to be held on 24 February 2016 in order to approve the acquisition of the assets of Fuel Pipeline Transportation Limited mentioned in 2).

11. Investment property

The investment property is land that is located in Chiangmai Province and is presented at cost.

The fair value of the land as at 31 December 2015 was Baht 51 million, which have been determined based on valuations performed by an accredited independent valuer. The fair value has been determined based on market prices using Level 2 input.

12. Property, leasehold improvement and equipment

(Unit: Thousand Baht)

Consolidated financial statements										
	Land and land improvement	Leasehold improvement	Furniture fixtures and office equipment	Main depot facilities	Hydrant equipment	Intoplane substation	Vehicle fleet and motor vehicle	Motor vehicles and equipment under finance lease agreements under installation	Construction in progress/ equipment	Total
Cost:	160,806	11,533	251,037	6,761,900	32,817	244,384	868,137	31,968	249,422	8,612,004
	-	918	11,763	9,567	-	307	481	58,493	643,455	724,984
	-	545	32,882	179,250	-	4,844	16,466	-	(233,987)	-
	-	(2,022)	(17,909)	(2,023)	-	(311)	(1,784)	(12,381)	-	(36,430)
	160,806	10,974	277,773	6,948,694	32,817	249,224	883,300	78,080	658,890	9,300,558
	80,211	-	8,339	3,539	-	-	420	6,469	389,784	488,762
	1,000	491	16,844	312,498	3,016	9,694	32,307	-	(375,850)	-
	-	-	(5,046)	(97)	-	(64)	(464)	(6,964)	-	(12,635)
	242,017	11,465	297,910	7,264,634	35,833	258,854	915,563	77,585	672,824	9,776,685
	-	9,048	185,055	3,574,989	22,011	161,397	692,999	13,042	-	4,658,541
Accumulated depreciation:	-	(256)	(17,319)	(1,628)	-	(311)	(1,740)	(10,164)	-	(31,418)
	-	378	21,359	290,631	617	14,471	19,172	22,038	-	368,666
	-	9,170	189,095	3,863,992	22,628	175,557	710,431	24,916	-	4,995,789
	-	-	(4,811)	(74)	-	(64)	(464)	(5,534)	-	(10,947)
	-	479	26,292	305,065	871	15,044	18,900	23,661	-	390,312
	-	9,649	210,576	4,168,983	23,499	190,537	728,867	43,043	-	5,375,154
	160,806	1,804	88,678	3,084,702	10,189	73,667	172,869	53,164	658,890	4,304,769
	242,017	1,816	87,334	3,095,651	12,334	68,317	186,696	34,542	672,824	4,401,531
	Depreciation for the year									
2014 (Baht 341 million included in cost of service and the balance in administrative expenses)										
2015 (Baht 334 million included in cost of service and the balance in administrative expenses)										

Separate financial statements

	Land and land improvement	Furniture fixtures and office equipment	Main depot facilities	Hydrant equipment	Intoplane substation	Vehicle fleet and motor vehicle	Motor vehicles and equipment under finance lease agreements	Construction in progress/ equipment under installation	Total
Cost:									
1 January 2014	160,806	210,361	3,431,109	32,817	244,553	763,189	106,900	204,496	5,154,231
Additions	-	6,358	1,056	-	307	481	37,885	318,525	364,612
Transfer in (out)	-	31,850	163,189	-	4,844	16,466	-	(216,349)	-
Disposals	-	(16,368)	(785)	-	(311)	(1,643)	(4,322)	-	(23,429)
31 December 2014	160,806	232,201	3,594,569	32,817	249,393	778,493	140,463	306,672	5,495,414
Additions	-	5,037	205	-	-	-	6,469	240,795	252,506
Transfer in (out)	-	16,162	72,271	3,016	9,694	32,307	-	(133,450)	-
Disposals	-	(4,418)	-	-	(64)	(464)	(6,964)	-	(11,910)
31 December 2015	160,806	248,982	3,667,045	35,833	259,023	810,336	139,968	414,017	5,736,010
Accumulated depreciation:									
1 January 2014	-	157,296	1,670,756	22,011	161,399	675,157	7,439	-	2,694,058
Depreciation on disposals	-	(16,274)	(784)	-	(311)	(1,641)	(3,367)	-	(22,377)
Depreciation for the year	-	16,439	152,497	617	14,480	17,169	19,138	-	220,340
31 December 2014	-	157,461	1,822,469	22,628	175,568	690,685	23,210	-	2,892,021
Depreciation on disposals	-	(4,185)	-	-	(64)	(464)	(5,534)	-	(10,247)
Depreciation for the year	-	21,048	158,866	871	15,052	17,276	20,664	-	233,777
31 December 2015	-	174,324	1,981,335	23,499	190,556	707,497	38,340	-	3,115,551
Net book value:									
31 December 2014	160,806	74,740	1,772,100	10,189	73,825	87,808	117,253	306,672	2,603,393
31 December 2015	160,806	74,658	1,685,710	12,334	68,467	102,839	101,628	414,017	2,620,459
Depreciation for the year									
2014 (Baht 198 million included in cost of service and the balance in administrative expenses)									
2015 (Baht 209 million included in cost of service and the balance in administrative expenses)									
220,340									
233,777									

As at 31 December 2015, the subsidiaries had an outstanding balance of construction in progress of the main depot facilities and hydrant equipment of approximately Baht 193 million (2014: Baht 314 million). Construction of the main depot facilities and hydrant equipment has been financed with loans from financial institutions and borrowing costs totaling approximately Baht 9 million were capitalised during the year ended 31 December 2015 (2014: Baht 6 million).

As at 31 December 2015, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,504 million (2014: Baht 1,425 million) (Separate financial statements: Baht 1,427 million, (2014: Baht 1,349 million)).

As at 31 December 2015, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 35 million (2014: Baht 53 million) (Separate financial statements: Baht 102 million (2014: Baht 117 million)).

Under the lease agreement, the lessor will assume legal ownership of the equipment and buildings erected on the leased state-owned land upon termination of the agreement, which has a term of 3 years. However the Company has continually renewed the agreement and expects to be able to continue renewing it.

As at 31 December 2015, Fuel Pipeline Transportation Limited (subsidiary), has mortgaged the multi-product pipeline system and main depot facilities with net book value of Baht 745 million (2014: Baht 826 million) to secure long-term liabilities under the rehabilitation plan.

13. Projects costs under concession agreements

(Unit: Thousand Baht)

	Consolidated financial statements					Separate financial statements		
	Equipment, building and intoplane substation	Hydrant equipment	Concession of a subsidiary	Right to use leased land related to concession agreement	Total	Equipment, building and intoplane substation	Right to use leased land related to concession agreement	Total
Cost								
As at 31 December 2014	227,548	1,707,201	768,006	69,889	2,772,644	227,548	69,889	297,437
As at 31 December 2015	227,548	1,707,201	768,006	69,889	2,772,644	227,548	69,889	297,437
Accumulated amortization								
As at 31 January 2014	83,723	413,310	185,864	25,334	708,231	83,723	25,334	109,057
Amortisation for the year	11,158	56,907	25,600	3,495	97,160	11,158	3,495	14,653
As at 31 December 2014	94,881	470,217	211,464	28,829	805,391	94,881	28,829	123,710
Amortisation for the year	11,158	56,906	25,600	3,495	97,159	11,158	3,494	14,652
As at 31 December 2015	106,039	527,123	237,064	32,324	902,550	106,039	32,323	138,362
Net book value								
As at 31 December 2014	132,667	1,236,984	556,542	41,060	1,967,253	132,667	41,060	173,727
As at 31 December 2015	121,509	1,180,078	530,942	37,565	1,870,094	121,509	37,566	159,075

Under the Into-plane Service Agreement and the Permission for Performance Agreement of the fuel hydrant network at Suvarnabhumi Airport, made with Airport of Thailand Public Company Limited by the Company and a subsidiary, Thai Aviation Refuelling Company Limited, respectively, the Company is to transfer ownership of all equipment, buildings, related fixtures and construction to the Ministry of Finance immediately upon completion of construction, and the subsidiary is to transfer the Hydrant network to the Airport of Thailand Public Company Limited within 60 days before it begins operating the service. As of 31 December 2015, transfer of ownership under the two agreements is in progress.

The Company has invested in ordinary shares of Thai Aviation Refuelling Company Limited (subsidiary), and the difference between the amount invested and the shareholders' equity of the subsidiary at the acquisition date has been recorded as "Concession of a subsidiary" and presented as "Projects costs under concession agreements" in the consolidated statement of financial position. It is amortised on a straight-line basis over a period of 30 years, which is the term of the concession of the subsidiary, from 28 September 2006 until the agreement expires.

The Company initially recorded the rights to use lease land related to concession agreement at cost, equal to the present value of future rental payment obligations for land used in the provision of service under the concession agreement.

14. Right to use assets under lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		
	Right to use leased land of subsidiary	Subsidiary's right to use building under land lease agreement	Total
Cost			
As at 31 December 2014	43,848	24,366	68,214
As at 31 December 2015	43,848	24,366	68,214
Accumulated amortisation			
As at 1 January 2014	12,476	5,941	18,417
Amortisation for the year	2,461	1,219	3,680
As at 31 December 2014	14,937	7,160	22,097
Amortisation for the year	2,462	1,218	3,680
As at 31 December 2015	17,399	8,378	25,777
Net book value			
As at 31 December 2014	28,911	17,206	46,117
As at 31 December 2015	26,449	15,988	42,437

The Company has invested in ordinary shares of JP-One Assets Company Limited (subsidiary), and the excess of the cost of the investment over the book value of the subsidiary at the acquisition date has been recorded as "Rights to use leased land of subsidiary" and presented as an asset under the caption of "Right to use assets under leased agreements" in the consolidated statement of financial position. This is amortised by the straight-line method over 17 years and 10 months, which was the remaining term for which the subsidiary has approval from Airports of Thailand Public Company Limited to lease land outside the fence at Suvarnabhumi Airport for provision of aviation fuel transport services and a hydrant network from the refinery plant to the Company's fuel depot.

Amortisation is from 8 December 2008 until the agreement expires. As a result of the transfer of business of the subsidiary mentioned in note 10 to financial statements, the rights to use the leased land of JP-One Asset Company Limited were transferred to Fuel Pipeline Transportation Limited, effective from the business transfer date.

Under a land rental agreement between the Airport of Thailand Public Company Limited and a subsidiary, Thai Aviation Refuelling Company Limited, the subsidiary is to transfer ownership of all buildings and construction on the leased land to the Ministry of Finance 3 years after the date of completion of the construction (September 30, 2008). As of 31 December 2015, the subsidiary is in the process of transferring ownership in accordance with the agreement.

15. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Computer software - at cost	98,907	90,687	86,824	79,862
Less: Accumulated amortisation	(60,292)	(53,522)	(52,424)	(47,221)
Net book value	38,615	37,165	34,400	32,641

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Book value at beginning year	37,165	20,064	32,641	16,710
Acquisitions during the year	8,343	21,799	7,011	19,324
Disposal during the year - net book value	(25)	(22)	(25)	(14)
Amortisation for the year	(6,868)	(4,676)	(5,227)	(3,379)
Book value at end of year	38,615	37,165	34,400	32,641

16. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables - related parties (Note 6)	42,709	40,545	29,372	27,548
Trade payables - unrelated parties	14,642	12,844	13,152	8,325
Other payables - related parties (Note 6)	73	34	58,775	57,819
Other payables - unrelated parties	70,224	102,082	34,991	64,417
Accrued expenses	35,418	36,425	23,321	27,091
Total trade and other payables	163,066	191,930	159,611	185,200

17. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
Liabilities under finance lease agreements	34,787	45,928
Less: Deferred interest expenses	(2,106)	(3,890)
Total	32,681	42,038
Less: Portion due within one year	(16,263)	(15,311)
Liabilities under finance lease agreements, net of current portion	16,418	26,727

(Unit: Thousand Baht)

	Separate financial statements	
	2015	2014
Related parties (Note 6)		
Liabilities under finance lease agreement	100,227	118,652
Less: Deferred interest expenses	(13,038)	(19,074)
Total	87,189	99,578
Less: Portion due within one year	(13,223)	(12,389)
Liabilities under finance lease agreement, net of current portion	73,966	87,189
Unrelated parties		
Liabilities under finance lease agreement	18,274	21,085
Less: Deferred interest expenses	(969)	(1,414)
Total	17,305	19,671
Less: Portion due within one year	(8,601)	(8,321)
Liabilities under finance lease agreement, net of current portion	8,704	11,350
Total		
Current portion of liabilities under finance lease agreement	21,824	20,710
Liabilities under finance lease agreement, net of current portion	82,670	98,539

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			
	As at 31 December 2015		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	17,703	17,084	34,787
Deferred interest expenses	(1,440)	(666)	(2,106)
Present value of future minimum lease payments	16,263	16,418	32,681

(Unit: Thousand Baht)

Consolidated financial statements			
	As at 31 December 2014		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	17,530	28,398	45,928
Deferred interest expenses	(2,219)	(1,671)	(3,890)
Present value of future minimum lease payments	15,311	26,727	42,038

(Unit: Thousand Baht)

Separate financial statements			
	As at 31 December 2015		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	27,643	90,858	118,501
Deferred interest expenses	(5,819)	(8,188)	(14,007)
Present value of future minimum lease payments	21,824	82,670	104,494

(Unit: Thousand Baht)

Separate financial statements			
	As at 31 December 2014		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	27,619	112,118	139,737
Deferred interest expenses	(6,909)	(13,579)	(20,488)
Present value of future minimum lease payments	20,710	98,539	119,249

18. Long-term loans

(Unit: Thousand Baht)

Loan	Credit line	Consolidated financial Statement		Separate financial Statement	
		2015	2014	2015	2014
The Company					
1	Baht 800 million	133,333	177,778	133,333	177,778
2	Part 1 - Baht 1,700 million	427,000	569,400	427,000	569,400
	Part 2 - Baht 300 million	75,000	100,200	75,000	100,200
3	Baht 220 million	95,000	120,000	95,000	120,000
4	Baht 700 million	325,000	425,000	325,000	425,000
The Subsidiaries					
5	Baht 550 million	158,177	144,530	-	-
6	Baht 230 million	220,850	125,450	-	-
7	Baht 90 million	32,000	46,000	-	-
Total long-term loans		1,466,360	1,708,358	1,055,333	1,392,378
Less: Current portion		(377,444)	(357,644)	(337,045)	(337,045)
Long-term loans - net from current portion		1,088,916	1,350,714	718,288	1,055,333

Loan no.1: The principal will be paid in 16 semi-annual installments of Baht 22.22 million each, within 31 August 2018. Interest is payable semi-annually at 6-Month THBFX plus a fixed percentage per annum. The Company has entered into an agreement with a bank to hedge the interest rate risk on the full amount of the loan, whereby the Company will pay interest at a fixed rate per annum to the bank and the bank will pay interest to the Company at the 6-Month THBFX plus a fixed percentage per annum. As at 31 December 2015, the fair value of these interest rate swap contracts is approximately negative Baht 7 million. The fair value has been determined by using Level 2 input.

Loan no.2: Facilities of Baht 1,700 million and Baht 300 million, for which principal is to be paid in 32 quarterly installments, of Baht 35.60 million and Baht 6.30 million each, respectively, within 31 December 2018. Interest is payable monthly at the 3-month fixed deposit rate plus a fixed percentage per annum.

Loan no.3: Principal is to be paid in 32 quarterly installments of Baht 6.25 million each, within 28 November 2018. Interest is payable monthly at MLR minus a fixed percentage per annum.

Loan no.4: Principal is to be paid in 28 quarterly installments of Baht 25 million each, within 30 September 2019. Interest is payable monthly at MLR minus a fixed percentage per annum.

Loan no.5: Principal is to be paid in quarterly installments of Baht 27.50 million each, beginning in March 2017, and the loan matures in December 2021. Interest is payable monthly at 3-month BIBOR plus a fixed percentage per annum.

Loan no. 6: Principal is to be paid in 105 monthly installments of Baht 2.20 million each, beginning in October 2015, and the loan matures in May 2024. Interest is payable monthly at MLR minus a fixed percentage per annum. The loan is secured by savings and fixed deposits of the subsidiary, which are presented under the caption “Restricted bank deposit” in the statement of financial position.

Loan no. 7: Principal is to be paid in 26 quarterly installments of Baht 3.50 million each, beginning in March 2014, and the loan matures in May 2020. Interest is payable monthly at MLR minus a fixed percentage per annum.

The loan agreements contain several covenants which, among other things, require the Company and its subsidiaries to maintain debt-to-equity and debt service coverage ratios at the rates prescribed in the agreements.

As at 31 December 2015, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 424 million (2014: Baht 540 million).

19. Long-term liabilities under rehabilitation plan

Movements in the long-term liabilities under rehabilitation plan account of Fuel Pipeline Transportation Limited (the subsidiary) during the year ended 31 December 2015 and 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2015	2014
Balance at beginning of year	32,331	37,243
Less: Repayment of long-term liabilities during the year	(7,122)	(4,912)
Balance at end of year	25,209	32,331
Less: Current portion	(4,603)	(4,849)
Long-term liabilities under rehabilitation plan - net of current portion	20,606	27,482

The subsidiary is required to settle outstanding long-term liabilities under the rehabilitation plan principal and interest in monthly installments within a period of 10 years after the date the court approved the rehabilitation plan, with the first installment on 31 October 2012. However, if the subsidiary has excess cash, it has to use the excess cash to make early repayment of its outstanding debt.

Payments of interest on long-term liabilities under the rehabilitation plan is to be made monthly, with the first payment due in the month following the month the Central Bankruptcy Court approved the plan.

The interest rates charged on long-term liabilities under the rehabilitation plan are as summarised below.

Period	Annual interest rate
The date after the court approved the plan until 31 October 2013	MLR - 1.75%
1 November 2013 until 31 October 2016	MLR - 1.50%
1 November 2016 onwards	MLR - 1.25%

Long-term liabilities under the rehabilitation plan are secured by the mortgage of the subsidiary’s multi-product pipeline system and main depot facilities. Moreover, the rehabilitation plan stipulates certain conditions which the subsidiary is required to comply.

20. Provision for land lease related to concession agreement

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the year ended 31 December 2015	2014
Provision for land lease related to concession agreement as at the beginning of year	54,471	57,032
Payment during year	(5,662)	(5,579)
Interest cost	2,879	3,018
Provision for land lease related to concession agreement at the end of year	51,688	54,471
Less: Current portion	(3,195)	(2,784)
Provision for land lease related to concession agreement, net of current portion	48,493	51,687

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire from the Company and its subsidiaries and other long-term employee benefits, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Provision for long-term employee benefits at the beginning of year	758,740	696,473	662,163	610,299
Included in profit or loss:				
Current service cost	49,038	44,607	38,326	37,410
Interest cost	21,957	25,498	18,502	22,292
Past service costs	2,942	-	-	-
Actuarial gain from other long-term employee benefits	(183)	-	(262)	-
Total	73,754	70,105	56,566	59,702
Included in other comprehensive income:				
Actuarial loss from post-employment benefits arising from				
Demographic assumptions changes	17,599	-	17,908	-
Financial assumptions changes	87,348	43,558	59,758	43,558
Experience adjustments	(17,934)	-	(20,168)	-
Total	87,013	43,558	57,498	43,558
Benefits paid during the year	(40,405)	(51,396)	(39,555)	(51,396)
Provision for long-term employee benefits at end of year	879,102	758,740	736,672	662,163

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 services	29,881	25,894	23,828	23,599
Administrative expenses	21,916	18,713	14,236	13,811
Finance cost	21,957	25,498	18,502	22,292
Total expenses recognised in profit or loss	73,754	70,105	56,566	59,702

The Company and its subsidiaries expect to pay Baht 62 million of long-term employee benefits during the next year (Separate financial statements: Baht 28 million) (2014: Baht 40 million, separate financial statements: Baht 40 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 8.31 - 20.69 years (Separate financial statements: 9.92 - 13.21 years) (2014: 9.68 - 21.76 years, separate financial statements: 9.68 - 11.78 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Discount rate	2.32 - 3.97	2.87 - 4.34	2.61 - 2.91	2.87 - 2.88
Future salary increase rate	7 - 8	6 - 7.25	7.25	7.25
Staff turnover rate	0 - 15	0 - 22	0 - 3	0 - 1.66

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	(76)	87	(63)	72
Future salary increase rate	114	(102)	98	(88)
Staff turnover rate	(37)	15	(27)	13

22. Share Capital

On 22 April 2015, the Annual General Meeting of the Company's shareholders passed a resolution to approve

- A decrease in the Company's registered capital from Baht 509,998,044 (509,998,044 ordinary shares of Baht 1 each) to Baht 509,997,325 (509,997,325 ordinary shares of Baht 1 each).
- An increase in the Company's registered capital from Baht 509,997,325 (509,997,325 ordinary shares of Baht 1 each) to Baht 637,496,657, (637,496,657 ordinary shares of Baht 1 each) through the issue of 127,499,332 shares of Baht 1 each and allocation of such shares to those shareholders who are entitled to receive dividends.

The Company issued 127,498,828 ordinary shares of Baht 1 each to the shareholders as a stock dividend in May 2015, as mentioned in Note 29 to the interim financial statements.

The Company registered the decrease and the increase of its capital with the Ministry of Commerce in May 2015.

23. Statutory reserve

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

24. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salaries and wages and other employee benefits	720,524	640,139	517,747	470,529
Depreciation and amortisation	498,019	474,182	253,656	238,372
Airport concession fees	238,254	231,423	226,208	219,764
Rental expenses from operating lease agreements	91,788	92,239	41,107	42,235
Consulting services expenses	21,396	31,874	8,449	20,607

25. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 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	270,568	206,916	155,885	114,655
Adjustment in respect of income tax of previous year	(84)	(516)	(84)	(516)
Deferred tax:				
Relating to origination and reversal of temporary differences	(7,254)	(6,564)	(4,103)	(1,549)
Income tax expense reported in the statement of comprehensive income	263,230	199,836	151,698	112,590

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred tax relating to actuarial losses	(17,394)	(8,712)	(11,500)	(8,712)
	(17,394)	(8,712)	(11,500)	(8,712)

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	1,262,325	995,247	1,005,539	800,953
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	252,465	199,049	201,108	160,191
Adjustment in respect of income tax of previous year	(84)	(516)	(84)	(516)
Effect of preparing the consolidated financial statements	4,397	5,851	-	-
Effects of:				
Promotional privileges	-	(7,229)	-	-
Dividends received are excluded from taxable profit	-	-	(50,929)	(49,561)
Non-deductible expenses	12,468	10,033	2,256	2,890
Additional expense deductions allowed	(5,915)	(7,274)	(653)	(414)
Others	(101)	(78)	-	-
Total	6,452	(4,548)	(49,326)	(47,085)
Income tax expenses reported in the statement of comprehensive income	263,230	199,836	151,698	112,590

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	As at 31 December 2015	As at 31 December 2014	As at 31 December 2015	As at 31 December 2014
Deferred tax assets				
Provision for long-term employee benefits	175,738	151,693	147,334	132,433
Difference between right to use leased land and provision for land lease related to concession agreements	2,824	2,682	2,824	2,682
Long-term liabilities under rehabilitation plan	896	1,186	-	-
Provision	17,126	20,000	-	-
Others	21	21	-	-
Total	196,605	175,582	150,158	135,115
Deferred tax liabilities				
Deferred interest received	(114)	(674)	(114)	(674)
Surplus on revaluation of assets from acquisition of subsidiary	(18,810)	(21,875)	-	-
Total	(18,924)	(22,549)	(114)	(674)

26. Basic earnings per share

Basic earnings per share for the year is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the number of ordinary shares in issue as at the statements of financial position date. The prior year's basic earnings per share has been recalculated by adjusting the number of ordinary shares to reflect the impact of the stock dividend as discussed in note 29 to the financial statements, as if the stock dividend had been distributed at the beginning of the earliest period reported.

	For the year end as at 31 December			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit attributable to equity holders of the Company (Thousand Baht)	957,694	757,750	853,841	688,363
Number of ordinary shares (Thousand shares)	637,496	637,496	637,496	637,496
Basic earnings per share (Baht/share)	1.50	1.19	1.34	1.08

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries are principally engaged in the fuel pipeline transportation services and aviation refuelling service at the airport. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

For the year ended 31 December 2015 and 2014, the Company and its subsidiaries had revenue from five major customers and six major customers, respectively. Revenue from each customer were as follows:

(Unit: Million Baht)

	2015	2014
Customer 1	1,107	924
Customer 2	655	593
Customer 3	421	387
Customer 4	397	341
Customer 5	350	338
Customer 6	-	301

28. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly in accordance with the fund rules. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2015 amounting to approximately Baht 42 million (2014: Baht 39 million) (Separate financial statements: Baht 29 million (2014: Baht 28 million)) were recognised as expenses.

29. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2013	Annual General Meeting of the shareholders on 24 April 2014		
- Cash dividend		356,979	0.70
Interim dividends for 2014	Board of Directors' meeting on 7 August 2014		
- Cash dividend		142,799	0.28
Total for 2014		499,778	0.98

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 22 April 2015		
- Cash dividend		290,698	0.57
- Stock dividend		127,499	0.25
Total		418,197	0.82
Interim dividends for 2015	Board of Directors' meeting on 6 August 2015		
- Cash dividend		159,374	0.25
Total for 2015		577,571	1.07

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2015, the Company and its subsidiaries had capital commitments of approximately Baht 533 million (2014: Baht 783 million), relating to the construction of assets and acquisition of equipment (Separate financial statements: Baht 40 million (2014: Baht 236 million)).

30.2 Commitments under various agreements

- a) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of hydrant equipment, land, airport space and building and motor vehicle. The terms of the agreements are generally between 1 and 30 years. These operating lease agreements are non-cancellable agreements, under which the Company and its subsidiaries are required to comply with the certain conditions, including obligations to transfer the ownership of constructed assets to the lessors under some land lease agreements.

Future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Million Baht)

As at 31 December 2015				
	In up to 1 year	In over 1 and up to 5 years	Over 5 years	Total
Bangkok Aviation Fuel Services Public Co., Ltd.	52	51	-	103
Thai Aviation Refuelling Co., Ltd.	2	3	-	5
Fuel Pipeline Transportation Ltd.	54	216	344	614
Total	108	270	344	722

(Unit: Million Baht)

As at 31 December 2014				
	In up to 1 year	In over 1 and up to 5 years	Over 5 years	Total
Bangkok Aviation Fuel Services Public Co., Ltd.	44	63	-	107
Thai Aviation Refuelling Co., Ltd.	2	2	-	4
Fuel Pipeline Transportation Ltd.	59	208	375	642
Total	105	273	375	753

- b) The Company has entered into an agreement with Airports of Thailand Public Company Limited (AOT) whereby it was granted permission to provide into-plane services at Suvarnabhumi Airport for a period of 20 years from the date the airport officially opened for service (28 September 2006). The Company is to compensate AOT at the rate stipulated in the agreement, and has to comply with certain obligations. These obligations include entering into an agreement to rent land, erect buildings and certain structures on the land and transfer ownership of such construction to the Ministry of Finance immediately upon completion, without charge. They also include the installation of equipment and systems to be used in implementing the project and, at its own expense, maintaining such equipment and systems in good and workable condition throughout the term of the agreement.
- c) A subsidiary, Thai Aviation Refuelling Co., Ltd. has been granted approval by Airports of Thailand Public Company Limited to operate aviation fuel hydrant network services at Suvarnabhumi Airport, for a period of 30 years from the date of first operation of that company at the airport (28 September 2006). The subsidiary is obliged to comply with certain conditions, including an obligation to transfer the ownership of the hydrant refuelling network including related supplies and spare parts, free of charge to Airports of Thailand Public Company Limited, and to pay a concession fee at a percentage of the subsidiary's income before deducting expenses, as stipulated in the agreement, as from the year of first operation.

30.3 Guarantees

The Company and its subsidiaries have outstanding bank guarantees as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Guarantee electricity use	10	10	3	3
Guarantees for agreements	97	95	63	61

30.4 Legal cases

- a) On 4 May 2012, the Company was summoned as the fourth defendant in a lawsuit where a state-enterprise and 3 state agencies were sued by 28 plaintiffs who alleged that they had been disturbed by the smell of fuel fumes from the aviation fuel depot. The 27 plaintiffs claimed damages amounting Baht 300,000 each, and another plaintiff claimed damages totaling Baht 1 million, making total damages of Baht 9.10 million. In addition, each plaintiff claimed monthly damages in the amount of Baht 10,000 until there is no fuel smell from the Company's depot. The plaintiffs also asked the Company to cease the usage of the depot and storage of fuel until there is equipment for preventing and controlling the fuel smell. Afterwards, on 15 October 2012, 76 additional plaintiffs filed lawsuits, bringing the total number of plaintiffs in this case to 104, with damages totaling Baht 31.90 million. The appeal is currently under the consideration of the Administrative Court.

However, the Company's management believes that no significant losses will be incurred to the Company and the Company has therefore not recorded provision for this legal case.

- b) On 20 September 2013 a party that leases land to a subsidiary filed a civil lawsuit, seeking an order for the subsidiary to remove certain parts of a fuel pipeline from the leased land. The subsidiary filed an objection contesting the lawsuit since the subsidiary believes that such removal would be contrary to the conditions of the contract. On 26 May 2015, the Court of Appeal affirmed the judgment of the court of First Instance, which had ordered the subsidiary to remove the fuel pipeline. The subsidiary submitted an appeal to the Supreme Court on 5 January 2016 and the case is now being considered by the Supreme Court. At the same time, the civil court was mediating a settlement between the subsidiary and the lessor regarding the enforcement of the court judgement, whereby the subsidiary would accept a new pipeline already constructed by the lessor, provided that the substitute pipeline passed inspection by Engineering Institute of Thailand (EIT) to ensure its safety and compliance with engineering standards. However, EIT found that there were certain defects in the pipeline construction. The subsidiary and the lessor therefore entered into a Memorandum of Agreement dated 8 February 2016, whereby the subsidiary undertakes to relocate the pipeline, and not to lay the pipeline in a manner that results in damage, or to move the existing high pressure fuel pipeline of the lessor, and is to complete the work within 45 days, counting from 9 February 2016. The relocation of the pipeline is currently in progress.

However, the Company set aside provision of Baht 100 million in the consolidated financial statements and the subsidiary made partial payment for the relocation of the pipeline during the year, amounting to Baht 14 million. As a result, at 31 December 2015, the remaining balance of the provision was approximately Baht 86 million. The management believes that this situation will not have any impact on the subsidiary's delivery of fuel.

31. Financial instruments

31.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, restricted bank deposits, long-term investment, long-term loan to and receivable from related party, trade and other payables, liabilities under finance lease agreements, long-term loans and long-term liabilities under rehabilitation plan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries is exposed to credit risk primarily with respect to trade and other receivables and long-term loan to and receivable from related party. The Company and its subsidiaries manages the risk by adopting appropriate credit control policies and procedure. Although, the Company and its subsidiaries provide services to a limited number of customers in the same industry, the Company and its subsidiaries do not expect to incur material financial losses since most of their customers are creditworthy.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, bond and promissory note, current investments, liabilities under finance lease agreements, long-term liabilities under rehabilitation plan and long-term borrowings. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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 statements							
	As at 31 December 2015						
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	985	-	-	295	10	1,290	0.13 - 1.49
Current investments	205	-	-	6	1	212	1.41 - 1.85
Trade and other receivables	-	-	-	-	341	341	-
Restricted bank deposits	-	-	-	11	-	11	1.5
Long-term investment	-	-	2	-	-	2	3.75
	1,190	-	2	312	352	1,856	
Financial liabilities							
Trade and other payables	-	-	-	-	163	163	-
Liabilities under finance lease agreements	16	16	-	-	-	32	4.25 - 9.86
Long-term loans	-	-	133	1,333	-	1,466	2.5 - 5.8
Long-term liabilities under rehabilitation plan	-	-	-	25	-	25	5 - 5.25
	16	16	133	1,358	163	1,686	

(Unit: Million Baht)

Consolidated financial statements							
	As at 31 December 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	645	-	-	384	8	1,037	0.35 - 2.01
Current investments	202	-	-	5	1	208	2.15 - 3.10
Trade and other receivables	-	-	-	-	307	307	-
Restricted bank deposits	-	-	-	10	-	10	1.50
Long-term investment	-	-	2	-	-	2	3.75
	847	-	2	399	316	1,564	
Financial liabilities							
Trade and other payables	-	-	-	-	192	192	-
Liabilities under finance lease agreements	15	27	-	-	-	42	4.67 - 9.86
Long-term loans	-	-	178	1,530	-	1,708	2.75 - 5.80
Long-term liabilities under rehabilitation plan	-	-	-	32	-	32	5.58
	15	27	178	1,562	192	1,974	

(Unit: Million Baht)

Separate financial statements							
	As at 31 December 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	540	-	-	50	-	590	0.13 - 1.46
Current investments	205	-	-	-	1	206	1.76 - 1.85
Trade and other receivables	-	-	-	-	277	277	-
Long-term loan to and receivable from related party	-	-	-	435	-	435	5 - 5.25
	745	-	-	485	278	1,508	
Financial liabilities							
Trade and other payables	-	-	-	-	160	160	-
Liabilities under finance lease agreements	22	83	-	-	-	105	4.45 - 9.86
Long-term loans	-	-	133	922	-	1,055	2.5 - 5.8
	22	83	133	922	160	1,320	

(Unit: Million Baht)

Separate financial statements							
	As at 31 December 2014						
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum.)
	Within 1 year	1-5 years	Over 5 years				
Financial Assets							
Cash and cash equivalent	350	-	-	75	-	425	0.38 - 1.99
Current investments	202	-	-	-	1	203	2.15 - 3.10
Trade and other receivables	-	-	-	-	253	253	-
Long-term loan to and receivable from related party	-	-	-	555	-	555	5.58
	552	-	-	630	254	1,436	
Financial liabilities							
Trade and other payables	-	-	-	-	185	185	-
Liabilities under finance lease agreements	21	98	-	-	-	119	4.67 - 9.86
Long-term loans	-	-	178	1,214	-	1,392	2.75 - 5.80
	21	98	178	1,214	185	1,696	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from service transactions that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies, which the associated foreign exchange risk is not hedged, are summarised below:

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2015	2014	2015	2014	2015 (Baht per 1 foreign currency unit)	2014
US dollar	865,153	915,883	-	-	36.0770	32.9630

31.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature and loans and borrowings bear interest at floating rates, their fair value are not expected to be materially different from the amounts presented in statement of financial position, other than the fair value of the interest rate swap contracts mentioned in Note 18 to the financial statements.

32. 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 0.51:1 (2014: 0.58:1) and the Company's was 0.51:1 (2014: 0.62:1).

33. Events after the reporting period

On 17 February 2016, the Company's Board of Directors Meeting no.1/2016 approved the payment of an interim dividend of Baht 0.25 per share, a total of Baht 159 million, from the January 2016 operating results. This dividend will be paid in cash on 21 March 2016.

In addition, the Company's Board of Directors Meeting passed a resolution approving that the following allotment of earnings and payment of dividend for the year 2015 be proposed to the Company's shareholders.

- 1) Allotment of Baht 85 million of earnings to a reserve to fund expansion of investment.
- 2) Allotment of Baht 85 million of earnings to a general reserve.
- 3) Declaration of a dividend payment of Baht 1.10 per share, or a total of Baht 701 million, from the 2015 operating profit. In this respect, the Company already paid an interim dividend of Baht 0.25 per share, or a total of Baht 159 million, in September 2015 and the remaining dividend of Baht 0.85 per share, or a total of Baht 542 million is proposed to be paid on 25 May 2016.

This allotment of earnings and payment of dividend for 2015 is to be proposed for approval by the Annual General Meeting of the Company's shareholders that is to be held on 27 April 2016.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2016.



Report of the Audit Committee for the year 2015

To the Shareholders of Bangkok Aviation Fuel Services Public Company Limited

The Audit Committee of Bangkok Aviation Fuel Services PLC., comprises 3 independent directors namely Mr. Pachara Yutidhammadamrong, Chairman of the Audit Committee including Mr. Visut Montriwat and Mr. Pipat Purnananda, the Audit Committee's members, whose qualifications are entirely conformed to charter of the Audit Committee in which accordance to the office of the Securities and Exchange Commission's (SEC) regulations.

The Audit Committee had executed all scope duties and responsibilities as assigned by the Board of Directors of the Company in compliance to the regulations of the Stock Exchange of Thailand (SET). During 2015, the Company arranged 6 sessions for the Audit Committee's meeting in which all committee members had fully attended in every session.

The Audit Committee meetings' participants included all members of the Audit Committee, the Company's management, internal auditors, external auditor, law unit and compliances in relating issues. All meetings' subject matters can be summarized as follows:

1. **Financial statements review** which includes consolidated financial statements of the Company and its subsidiaries and separate financial statement of the Company as well as quarterly and annually reports of 2015. All of financial statements had been reviewed and audited by the external auditor. The executive and the external auditor had provided information and clarifications regarding accuracy and completeness of the financial statements, significant changes that affected to the financial statements, accounting policy, information disclosure, independence including accounting audit plan of year 2015. Furthermore, the Audit Committee had meetings with the external auditor without participation of the Management for 3 sessions to discuss on independency of the external auditor for duties performing and opinions expression. The Audit Committee's opinion was agreeable with the auditor's opinion that the aforementioned financial statements were accurate in all material respect in accordance with Thai Financial Reporting Standard. In addition, the Audit Committee had regularly provided opinions and comments to the Board of Directors in quarterly basis.

- 2. Operation information and internal control system's review** to evaluate adequacy, appropriateness and effectiveness of the internal control. The Audit Committee had considered the Company's adequacy of internal control assessment as stipulated by the Practice of the SEC, internal audit report of year 2015, results of internal control assessment and risk management assessments, which was arranged by the internal auditor in accordance to international standard: COSO-ERM (The Committee of Sponsoring Organizations of the Treadway Commission-Enterprise Risk Management) including results of key internal controls' efficiency arranged by the external auditor. The Audit Committee agrees that the Company has provided adequate and appropriate internal control system including sufficient workforce to operate the internal control system efficiently. In addition, the Company also monitors and oversee its subsidiaries' operations to ensure that assets of the Company and its subsidiaries are protected from being wrongfully used by their directors or executives for exploitation. The Audit Committee has not found any deficiency of internal control in all material respect.
- 3. Internal audit review** to ensure appropriateness and effectiveness of internal audit's operating processes. The Audit Committee had reviewed its missions, scope of works, duties and responsibilities, manpower, training plans, budget as well as its independency. Moreover, the Audit Committee approved internal auditing plan of year 2015, which was prepared in accordance to the Corporate Risk and also regularly reviewed its at least once a year to ensure its appropriateness and consistency to withstand the Company's risks. The Audit Committee has also reviewed audit report accordingly. Further, Appointment, removal or dismissal of Head of internal audit unit must be approved by the Audit Committee. The Head of internal audit unit's performance is assessed by KPIs system (Key Performance Indicators). Additionally, the Audit Committee agrees that the Company's internal audit system is appropriate, effective and independent. In the meantime, its yearly internal auditing plans are consistent with goals and the Company's risks as well as its personnel and auditing operation qualities are constantly developed.
- 4. Review on compliances of laws governing securities and stock exchange, regulations of the Stock Exchange of Thailand and relevant laws including compliances on the Company's Requirements and obligations with third parties.** The Audit Committee has not found any significant issue which deemed incompliance to laws, the Company's Requirements and obligations with third parties.
- 5. Risk management system review** in order to monitor its linkage to strategic plans and internal control system for managing risk. The Audit Committee had reviewed risk management system which stipulated in its policy and strategic planning and risk management manual. Further, The Audit Committee had regularly provided opinions and suggestions to Risk Management Committee and the Board of Directors on quarterly basis. The Audit Committee had the opinion that the company has appropriate, adequate and effective risk management.
- 6. Consider on connected transactions or transactions that may cause conflict of interest.** The Company stipulated operational practices and established Compliance unit to control compliances of laws, principles of the SEC and the Company's regulations. The Audit Committee had the opinion that the aforementioned transactions are reasonable and beneficial to the Company's business.

7. **Good corporate governance review** whereby the Audit Committee had reviewed compliances on anti-corruption measures of the Company and the Private Sector Collective Action Coalition against Corruption including compliance on Code of Conduct of the Company. The Audit Committee had the opinion that the Company has properly complied with the anti-corruption measure of the Private Sector Collective Action Coalition against Corruption. In the meantime, the employees' understanding on Code of Conduct and anti-corruption measure of the Company is favourable.
8. **Charter of the Audit Committee review** to ensure its appropriateness in accordance to the principles of the SEC and the SET. It is regularly proposed to the Board of Directors in every year.
9. **Overall assessment and self-assessment of the Audit Committee's performance for the year 2015.** The assessment results show that the Audit Committee had fully performed its duties as specified in the charter of the Audit Committee. The assessment topics include composition, duties and responsibilities, meetings, financial reporting, internal control, internal audit, compliances on laws and regulations and risk management, etc.
10. **The Audit committee's activities report preparation** to submit to the Chairman of the Board of Directors on every Audit committee's meeting.
11. **Select and appoint external auditor of year 2016 with proposal of audit fee** in order to present to the Board of Directors for consideration and Shareholders' meeting for approval. The Audit committee had processed the selection of external auditor by assessing skills, knowledge and capabilities of the external auditor and audit assistants team as well as examined their auditing quality of the previous years and independence. To ensure their independence, the external auditor was required to prepare document to certify work independence. The audit fee was also considered. The Audit committee; therefore, agreed to appoint Miss. Thipawan Nananuwat, Certified Public Accountant Registration No. 3459 or Mr. Termphong Opanaphan, Certified Public Accountant Registration No. 4501 or Miss. Vissuta Jariyathanakorn, Certified Public Accountant, Registration No. 3853 of EY Office Limited to be the Company's external auditor of year 2016 with amount of audit fee at 1,265,000 Baht.

With regard to the auditor appointment, the Audit committee has the opinions as follows:

- During the previous year, the external auditors had clear auditing plans and performed their duties with professional knowledge and capabilities. They attended meetings regularly with the Audit Committee as well as maintained their work quality in satisfiable level. Meanwhile, this external auditor appointment can ensure continuity of the Company's audit.
- The amount of audit fee that proposed is appropriate. It is 1,265,000 Baht for year 2016, which increased for 10%, when compared to the audit fee of year 2015 at 1,150,000 Baht. Due to changes of Thai Standard on Auditing that relevant to auditor reporting including changes of the Company's shareholding proportions in its subsidiaries, audit process will take longer time accordingly. In addition, after compared such amount of audit fee with other listed companies of the same level, the amounts are not much different.

- The Company has processed in compliance to the regulations of the SEC regarding rotation of external auditor signing to certify financial statements in every 5-accounting period as the company started to use EY Office Limited service in fiscal year 2014 as a first year.
- The external auditors are independent without relation and/or conflict of interest between the external auditors and the management the Company/subsidiaries/major shareholders or persons who are related to them.

To summarize in overall image, the Audit committee had fully performed duties with knowledge, capability and independency as per specified in charter of the Audit committee which was approved by the Board of Directors. Further, the Audit committee had provided opinions and suggestions to the Management, the Risk Management Committee and the Board of Directors constantly. The Audit committee agrees that the Company has prepared accurate financial reports with complete and proper process as well as arranged internal control system, internal audit including appropriate and effective risk management. The Company has also conducted its business in compliance with laws, regulations and obligations as well as promoted good corporate governance. Its connected transactions have been handled correctly. Furthermore, the Company has provided selection system for appointing person who is independent to perform as its external auditor with proposal of audit fee. Additionally, from research result on Corporate Governance of Thai list companies of year 2015, which was arranged by Thai Institute of Directors (IOD), the Company was ranked in excellent level as same as the previous year.

February 10th, 2016

On behalf of the Audit committee



Mr. Pachara Yutidhammadamrong
Chairman of the Audit Committee



Summary on the Opinion Concerning Internal Control System, Year 2015

The Board of Directors has assigned the Audit Committee, who serves as independent directors, to review internal control system's adequacy and appropriateness in order to provide efficient and effective operations as well as to maintain assets properly.

The Audit Committee had attended in the Board of Directors' meeting on February 17, 2016, where the Board of Directors agreed with the Audit Committee's opinion as appeared in the office of the Securities and Exchange Commission SEC assessment form and its opinion summarization regarding internal control system of year 2015. They conclude that the Company has provided adequate and appropriate internal control system including sufficient workforce to efficiently process its internal control. Meanwhile, the Company's internal control system supports in monitoring and overseeing its subsidiaries' operations regarding their capabilities in protection of the Company and its subsidiaries' assets from being illegally used or being used without permission by their directors or Executive. In addition, significant fault in its internal control system is not found. The details are as follows:

1. Control Environment

The Company has provided good internal control system with details as follows:

- The Company has arranged and improved its organizational structure to support its internal control system; therefore, it is able to operate efficiently in consistent with the Company's objectives. Reporting lines has been defined by segregation of duties to ensure check and balance whereby appropriate duties, responsibilities, knowledge, capabilities and experiences are set to best fit with each position as show in job description. In the meantime, the Internal Audit unit is set up to take responsible for reporting its functional monitoring to the Audit Committee including reporting its administrative monitoring to the Managing Director.
- The Company has defined and improved its major policies and operating procedures to be appropriate under the principles of good corporate governance, for example, Corporate Governance policy, Anti-Corruption policy, Risk management policy, Alcoholic beverage and drug policy, Code of Conduct manual, anti-corruption compliance manual and brochure. Rules and regulations regarding conflict of interest, corruption, gift-giving and receiving, reception, internal control, alcoholic beverage and drug partaking including distinct penalty are clearly defined and provided as guidelines for conducting to the Directors and employees. In the meantime, internal and external communications has been continually processed. All employees, thus, sign to acknowledge the

company's Alcoholic beverage and drug policy including Code of Conduct accordingly. Moreover, Anti-corruption and Code of Conduct training courses are regularly arranged for the Directors and employees. They are also provided in new employee orientation and all employee promotion programs. As well, employees are customarily sent to take dharma practicing courses. Meanwhile, Sustainable Development Committee is established to take role in aligning the Company and its subsidiaries' administrations to progress in the same direction. The Company also countersigned in the Declaration of intent certified to be member of the Private Sector Collective Action Coalition Against Corruption under the Collective Anti Corruption (CAC). In addition, the company had pledged in children's rights promotion and business practices projects, which were organized by Thaipat Institute and the UNICEF. Furthermore, as one of top 50 listed companies in Asian region, the Company received TOP 50 ASEAN PLCs Award from ASEAN Corporate Governance Conference and Awards 2015, which was held at Manila, Philippines. Additionally, by collaboration among CSR Club, Thai Listed Companies Association, the office of the SEC and Thaipat Institute, the Company also received Recognition Award for Sustainability Report 2015 including Sustainability Award from Thailand Sustainability Investment 2015, granted by the Stock Exchange of Thailand. The company further received ESG 100 Company Award from Thaipat Institute as listed company that conducts outstanding operations in environmental, social and governance, including the "Excellent" rate of the 2015 Corporate Governance Ranking by the Thai Institute of Directors (IOD), which is the same as the previous year. Moreover, Vietnamese trade representatives from Hanoi Stock Exchange (HNX) and management of listed companies in Vietnam had visited to observe the Company's business in order to exchange experiences regarding corporate governance, internal control as well as social and environmental responsibilities.

- The Company has exercised the monitoring system for the Code of Conduct and Core Values running by the Corporate Governance Working Committee, Core Values Working Committee and Internal Audit Unit. For example, the Management and all employees are defined to assess Code of Conduct and Core Value compliances yearly via on-line system. Core value campaign is continuously arranged as well as Codes of Conduct and anti-corruption measures compliances are audited. In the meantime, code of conduct assessment, which is processed by independent experts from outside together with management process in timely manner for non-compliance with Code of Conduct, has been arranged accordingly.
- The Board of Directors comprises directors with diversified qualifications in ages, skills and useful experiences. Meanwhile, the Company's independent director's qualification, in which strictly defined is more scrupulous when compared to the office of the SEC's requirements. Furthermore, duties and responsibilities of the Board of Directors, the Sub-Committees and the Management are clearly separated from one another. The Company's strategic planning working committee and strategic plans for year 2016 - 2020 were improved to be consistent with changing environment in order to serve as tools for guiding the Company's operating direction. Its organizational goal is clearly set while it can be effectively measured as well. Strategic objectives are also set to be consistent with strategic targets under Balanced Scorecard concept. The company's achievement is measured by key performance indicators (KPIs), which are regularly reviewed to be appropriate. In addition, budget system also reflects and controls the Company's operations to be more effective.
- The Company has prepared employee's performance assessment system by using performance indicators that are consistent with goals mentioned in its strategic plans and Code of Conduct. Meanwhile, the employee's performance assessment system is periodically reviewed to be appropriate. Balanced Scorecard is also used for operating assessment, and then, its results are accordingly conveyed to the executives and employees.

- The Company considers human resource as the most important resource. Therefore, the Company prepares its succession plan for major positions as well as arranging development and training courses to provide proper knowledge, skills and capabilities for each job assignment to employees. For instance, the Company has formulated Successor Development Plan, monitored successors' leadership development together with executives' discussion and negotiation capabilities development, so that, they can serve in positions of those executives who will retire in the future. Furthermore, the Company also arranges training and work observation programs for employees in order to have them understood the whole business operating system including English language training program for employees' preparedness to withstand competition in ASEAN Economic Community (AEC). In the meantime, the Company also provides Individual Development Plan, Job position Rotation and Employee Transfer Plan, Operation section's knowledge review plan, training roadmap and employee exchanges plan for work observation in overseas. The management and employees, who are assigned to be directors of the subsidiaries, have attended important courses which provided by the Thai Institute of Directors (IOD). The Company also has Joint Inspection Group (JIG) to use its area as venue to arrange 'Training to Inspect to JIG Standards' in order to level up and create its reputation to be well known internationally. Moreover, the Company organized 'Safety Academy Fantasia', the safety campaign contest in order to stimulate and promote safety in workplace.
- Other important awards were also granted to the Company, for example, it received fully 100 score from the Quality of Annual General Shareholders Meeting Assessment of Year 2015 from Thai Investors Association, National Award of the Outstanding for Enterprise of Safety Operations, Occupational Health and Working Environment of Year 2015 at the three operation sites - Don Mueang Aviation Fuel Storage Station and Into-plane Refuelling Station, Suvarnabhumi Aviation Fuel Storage Station, and Suvarnabhumi Into-plane Refuelling Station. The Company received Carbon Neutral Certificate for activity arrangement from Thailand Greenhouse Gas Management Organization (Public Organization) as it was able to reduce quantity of greenhouse gas emission and had its location prepared for being IATA Fuel Quality Pool (IFQP) training center. The company also registered for carbon footprint reduction label in order to promote image of environmental leader. Additionally, the Company was selected to participate in the Public Service Executive Development Program (PSED) from Office of the Public Sector Development Commission (OPDC).

2. Risk Assessment

The Company gives high priority to its policy and risk management system. The detail is as follows:

- Appointing the Risk Management Committee preparing risk management policy, which approved by the Board of Directors, and have it communicated to all employees including assigning Risk Champion to take responsible for coordinating and monitoring risk management policy compliance and risk management measures compliance.
- Risk factors including corruption risk were assessed and reviewed by the Management in its workshop. Both of internal and external factors were thoroughly considered in order to achieve the Company's objectives in various aspects such as strategy, operation, reporting including rules and regulations compliances. Detail of risk factors assessment and review comprises Corporate risk, Functional risk and likelihood including impact of each risk. In the meantime, its review ranking risk are categorized into high,



medium and low levels. The Company has risks assessed including defining Key Risk Indicators and Trigger Points for high-valued projects to be used as monitoring and controlling tools.

- The company has reviewed risk appetite, risk tolerance, key risk Indicators (KRIs) and trigger point, which deemed as early warning system, to be consistent with strategic goal. Meanwhile, the Company solved problem that occurred in timely manner.
- The Company regularly defines and reviews measure and risks control plan to ensure that risks are placed in acceptable level. Risks in high level will be managed firstly by using risk response method, which include risk reduction (Treat), risk acceptance (Take), risk sharing to third parties (Transfer) and risk avoidance (Terminate). Moreover, the Company also assesses several of which that may cause affect to its business operation such as changes form external factors including type of business and its organizational leaders. In addition, the Company defines sufficient measures to respond to changes, for instance, Working committee for analyzing Economic situation that may impact to the Company's income is set up including monitoring impact that may derive from Thai aviation safety standard verification, which audited by the International Civil Aviation Organization (ICAO), the Federal Aviation Administration (FAA) and the European Aviation Safety Agency (EASA). Meanwhile, impact from Middle East Respiratory Syndrome (MERS) is monitored as well as other factors such as fluctuations of currency exchange rate, Chinese economic situation and oil prices slump in global market. The Company also set up Crisis Management Committee to analyze and control emergencies, which may affect to the Company and its subsidiaries' operations including preparing plans to withstand risks in case of fuel leakage, fire and derailment of fuel transportation via pipeline of Fuel Pipeline Transportation Limited, etc. Furthermore, emergency plans and practices are launched as precaution in case of severe incident that significantly affect to the Company's operation occurs. Business Continuity Management System (BCMS) training is also provided to the Management to ensure that they will gain understanding and be able to prioritize business risks with international standard as well as to cope with crisis situation that may cause business derailment. Additionally, Business Continuity Plan (BCP) are exercised accordingly at Suvarnabhumi Airport and Don Mueang Airport including safety training courses arranged for employees who work at aircraft parking areas and employees who work for into-plane service at Trat Airport. Moreover, the Risk Management Committee and the Audit Committee also regularly monitors risks management plan of the Company in quarterly basis.

3. Control Activities

The Company has arranged good control activities as follows:

- Approval authority and standard operating procedure manual in which entirely describes major operations of the Company is prepared. Duties and responsibilities regarding approval, accounting and information technology records and assets management and maintenance are clearly defined. They are clearly separated from one another as well. Meanwhile, regulations on relate transaction must be complied in line with the requirements of the office of the SEC. Strict measure of transactions in which concerning to maximum benefit of the Company is defined and approved by non-stakeholders. Meanwhile, such measure is also consistently reviewed.
- Meetings of the Management, departments and others are regularly arranged in order to monitor work administration an operational control.
- Processes for report, verification, and approval transaction or binding contract are defined. Meanwhile, their measures for monitoring and reviewing are set up in order to have the Company executed according to the terms agreed.
- General control measure for information system regarding its infrastructure, safety, development and appropriate maintenance is defined.
- Regulations regarding employee assigning to work for the Subsidiaries and directions for appointed directors or management to practice correspondingly are prepared. The Risk Management Committee, meanwhile, pays close attention to oversee organizational risks managements of the Company and its subsidiaries, as well as monitor their progresses and assess their operation results, thence, report to the Board of Directors in quarterly basis. Moreover, the Subsidiaries' monthly operational results reports are arranged and submitted to the Risk Management Committee and they are also submitted to the Board of Directors to review in every 6 months.

4. Information and Communication

The Company has arranged good information and communication system as follows:

- The Company delivers documents and the Board of Directors meeting minutes, which contain sufficient necessary details, within period of time required by law. Meanwhile, quality of the Board of Directors meeting is regularly assessed.
- The Company develops important information technology such as Aviation Refuelling Management System (ARMS) and Business Intelligence to increase operational efficiency.
- The Company operates in compliance with Generally Accepted Accounting standard, which suitable for its business. Meanwhile, accounting documents are categorized as well as activity-based costing structure is improved to be consistent with organizational structure

- Communication channel is available for the Board of Directors to access necessary information for their operations or issues verifications. For instance, the Company secretary is defined to be contact point between the Company and the Board of Directors as well as to arrange the Board of Directors meeting without the Management's participation, etc.
- The Company provides communication channels, which can be used thoroughly the Company and its subsidiaries, for instance, electronic mail (e-mail), annual meeting among the management and employees including department meetings on monthly basis, etc. Meanwhile, regulations regarding usage of computers in organization is conveyed, so that, all employees will comply accordingly in the same direction. Moreover, in case of breach of Code of Conduct, illegal practice including malfeasance and unequal treatment, communication channels for whistle blowing or internal and external complaints are available via the Company's website or by sending postal mail/e-mail to the Executive Chairman or Audit Committee Chairman. In any case, the Company has protection policy for whistle-blower's disclosing information and also provides justice and protection to employees, who raise their concerns and report wrongdoing.
- Investor relations unit is set to take responsible for stakeholders contacting, which can be done via various channels such as the Company's website, the meeting activity among the management and investors organized in quarterly basis, including shareholders relations activities, etc. Moreover, the Management Discussion and Analysis (MD&A) which explains the Company's financial status and subject matters of its operational results is available in quarterly basis.

5. Monitoring Activities

The Company has arranged constant monitoring activities as follows:

- Monthly report of comparison between operating results and preset targets, which will be proposed to the Executive Committee and Management for their considerations and monitoring to ensure that the Company's operating results are complied with its preset targets. In the meantime, it is regularly reported to the Board of Directors. In case the operating results are different from preset targets, operating process rectification will be launched in timely manner.
- In case of any incident occurs and causes significant impact to the Company, it will be reported to the Board of Directors or relevant Sub-committees such as the Audit Committee and the Risk Management Committee, etc. The Management will report its progress and problem solving guidelines within reasonable period of time as well.
- Independent Internal Audit Unit is set to provide assurance and justified consultancy including auditing the Company's internal control system, Code of Conduct and Anti-corruption measures as mentioned in annual auditing plan, which is arranged in compliance with Risk-Based Audit Plan. The Internal Audit Unit will report its auditing results to the Audit Committee. Meanwhile, monitoring process and monitoring result progress report will be regularly conducted in quarterly basis. Internal Audit Unit will also assess the internal control system adequacy for management and with true independence under the responsibility of Internal Audit Unit. In addition, the Company develop and support its internal auditors by providing them internal audit profession training courses to constantly develop their knowledge, skills and capabilities.



Connected Transactions

1. Detail of connected transactions between Bangkok Aviation Fuel Services PLC. and persons who may have conflicts of interests.

List of Names	Detail Description	Relations
1. Thai Airways International PLC.	<ol style="list-style-type: none"> Aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang Airport and Suvarnabhumi Airport. Charge for compensation on aircraft refuelling service at Don Mueang Airport. Customs service Fee. Air tickets purchasing. 	<ol style="list-style-type: none"> Thai Airways International PLC. is major shareholder of BAFS Directors of BAFS <ul style="list-style-type: none"> Flight Lieutenant Montree Jumrieng Flying Officer Chalermpon Intarawong Squadron Leader Bhurith Sriwatana, are executives of Thai Airways International PLC.
2. Chevron (Thailand) Limited	<ol style="list-style-type: none"> Aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang Airport and Suvarnabhumi Airport. Charge for compensation on aircraft refuelling service at Don Mueang Airport. Customs formality service. 	Director of Bangkok Aviation Fuel Services PLC., Mr. Trintr Subakarn, is controlling person of Chevron (Thailand) Limited.

	Unit Price	Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
	-	220.88 million baht	24.01 million baht	Continued
	0.07 baht/litre	0.09 million baht	0.01 million baht	Continued
	-	-	-	Continued
	-	0.36 million baht	-	-
	-	385.07 million baht	35.25 million baht	Continued
	0.07 baht/litre	1.91 million baht	0.04 million baht	Continued
	-	-	-	Continued

List of Names	Detail Description	Relations
3. The Shell Company of Thailand Limited	<ol style="list-style-type: none"> 1. Aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang Airport and Suvarnabhumi Airport. 2. Charge for compensation on aircraft refuelling service at Don Mueang Airport. 3. Customs fee service. 	Director of BAFS Mr. Ath Hemvijitraphan, is authorized person of the Shell Company of Thailand Limited.
4. PTT PLC.	<ol style="list-style-type: none"> 1. Aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang Airport and Suvarnabhumi Airport. 2. Charge for compensation on aircraft refuelling service at Don Mueang Airport. 3. Aviation fuel storage, aircraft refuelling and defuelling services at Samui, Sukhothai and Trat Airports. 4. The Company's vehicles fuel cost. 	<ol style="list-style-type: none"> 1. The Ministry of Finance is indirect major shareholder of BAFS and major shareholder of PTT PLC. 2. Directors of BAFS <ul style="list-style-type: none"> - Mr. Krit Imsang (Retired on September 30th, 2015) - Mr. Peratak Autadej (Started from Novemebr 5th, 2015), are Controlling person of PTT PLC.

	Unit Price	Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
	-	290.51 million baht	24.83 million baht	Continued
	0.07 baht/litre	19.38 million baht	1.79 million baht	Continued
	-	-	-	Continued
	-	824.68 million baht	76.13 million baht	Continued
	0.07 baht/litre	39.22 million baht	3.71 million baht	Continued
	-	21.84 million baht	1.78 million baht	Continued
	-	5.25 million baht	0.39 million baht	Continued

List of Names	Detail Description	Relations
5. Airports of Thailand PLC. (AOT)	<ol style="list-style-type: none"> Rental and compensation <ul style="list-style-type: none"> Don Mueang Airport <ol style="list-style-type: none"> Fuel pipeline rental. Compensation from aircraft refuelling service at Don Mueang Airport that collected for Airports of Thailand PLC. (AOT). Building and space in aircraft parking area rental. Space outside of aircraft parking area rental. Suvarnabhumi Airport <ol style="list-style-type: none"> Compensation from aircraft refuelling and defuelling service. Space outside of aircraft parking area rental. Rooms in aircraft parking area rental. Space in aircraft parking area rental. Public utilities and other fee.	<ol style="list-style-type: none"> The Ministry of Finance is indirect major shareholder of BAFS and major shareholder of Airports of Thailand PLC. (AOT) Director of BAFS, Mr. NirandraTheeranartsin, is director and executive of Airports of Thailand PLC. (AOT)
6. The Ministry of Finance	Rental of State Property Building and land, which connects to building at Don Mueang Aviation Fuel Storage Station.	The Ministry of Finance is indirect major shareholder of BAFS.

Unit Price	Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
1,535,824.70 baht/month (28 Jan 2014- 27 Jan 2015) and 1,861,237.68 baht/month (28 Jan 2014 - 27 Jan 2015)	19.50 million baht	-	Continued
0.07 baht/litre	64.70 million baht	6.24 million baht	Continued
115 baht/sq.meter/month	9.53 million baht	-	Continued
85 baht/sq.meter/month	0.60 million baht	-	Continued
0.06 baht/litre	226.21 million baht	20.82 million baht	Continued
67.42 baht/sq.meter/month	5.66 million baht	-	Continued
450 baht/sq.meter/month	0.72 million baht	-	Continued
150 baht/sq.meter/month	3.27 million baht	-	Continued
-	5.87 million baht	0.76 million baht	Continued
-	7.48 million baht	-	Continued

List of Names	Detail Description	Relations
7. Thai Petroleum Pipeline Co., Ltd	<ol style="list-style-type: none"> Land and building leasing including public utilities service. <ul style="list-style-type: none"> Don Mueang Aviation Fuel Storage Station <ol style="list-style-type: none"> Land leasing Public utilities service. Suvarnabhumi Aviation Fuel Storage Station <ol style="list-style-type: none"> Land and building leasing Public utilities service Charges for water for fire-extinguishing system, water supply and electrical system. 	<ol style="list-style-type: none"> The Ministry of Finance is indirect major shareholder of BAFS and Thai Petroleum Pipeline Co., Ltd. Directors of BAFS <ul style="list-style-type: none"> Mr. Krit Imsang (Retired on September 30th, 2015) Mr. Peratak Autadej (Started from Novemebr 5th, 2015), are directors of Thai Petroleum Pipeline Co., Ltd.
8. Dhipaya Insurance PLC.	<ol style="list-style-type: none"> All risks insurance, legal liability insurance to third parties and property insurance from terrorism Auto insurance and protection of victims from motor vehicle accidents. 	The Ministry of Finance is indirect major shareholder of BAFS and Dhipaya Insurance PLC.
9. NPC Safety and Environmental Service Co., Ltd.	Participation in “Advance fire-fighting”, “Fire Commandment” and “Commander at the Scene”.	The Ministry of Finance is indirect major shareholder of BAFS and NPC Safety and Environmental Service Co., Ltd.

Unit Price		Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
-		1.36 million baht	-	Continued
-		2.00 million baht	-	Continued
-		4.04 million baht	-	Continued
-		2.76 million baht	-	Continued
-		0.32 million baht	-	Continued
-		14.32 million baht	-	Continued
-		1.45 million baht	0.03 million baht	Continued
-		0.23 million baht	-	-

2. Detail of connected transactions between Thai Aviation Refuelling Co., Ltd. and persons who may have conflicts of interests.

List of Names	Detail Description	Relations
1. Airports of Thailand PLC. (AOT)	<ul style="list-style-type: none"> • Suvarnabhumi Airport <ol style="list-style-type: none"> 1. Permission for provides aviation fuel service through hydrant pipeline. 2. Land at east side rental. 3. Land at the back side of domestic cargo building rental. 4. Room at aircraft parking area rental. 5. Area at aircraft parking area rental. 6. Public utilities and other fee. 	<ol style="list-style-type: none"> 1. The Ministry of Finance is indirect major shareholder of Thai Aviation Refuelling Co., Ltd. and Airports of Thailand PLC. (AOT). 2. Directors of Thai Aviation Refuelling Co., Ltd.: <ul style="list-style-type: none"> - Miss Shanalai Chayakul - Miss Sasisubha Sukontasub, are executives of Airports of Thailand PLC. (AOT) 3. Director of Bangkok Aviation Fuel Services PLC., Mr. Nirandra Theeranartsin is director and executive of Airports of Thailand PLC. (AOT).
2. Thai Airways International PLC.	Provides aviation fuel service through hydrant pipeline.	<ol style="list-style-type: none"> 1. Thai Airways International PLC. is major shareholder of BAFS 2. Director of BAFS <ul style="list-style-type: none"> - Lieutenant Montree Jumrieng - Flying Officer Chalermpon Intarawong - Squadron Leader Bhurith Sriwatana, are executives of Thai Airways International PLC.
3. Chevron (Thailand) Limited	Provides aviation fuel service through hydrant pipeline.	Director of Bangkok Aviation Fuel Services PLC., Mr. Trintr Subakarn, is controlling person of Chevron (Thailand) Limited.

Unit Price	Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
2% per year of Thai Aviation Refuelling Co., Ltd.'s revenue before expenditure deduction.	12.05 million baht	12.05 million baht	Continued
60 baht/sq.meter/month	0.09 million baht	-	Continued
67.42 baht/sq.meter/month	1.29 million baht	-	Continued
450 baht/sq.meter/month plus service fee.	0.94 million baht	-	Continued
150 baht/sq.meter/month	0.08 million baht	-	Continued
-	0.76 million baht	0.04 million baht	Continued
-	89.50 million baht	9.77 million baht	Continued
-	148.12 million baht	12.81 million baht	Continued

List of Names	Detail Description	Relations
4. The Shell Company of Thailand Limited.	<ol style="list-style-type: none"> Provides aviation fuel service through hydrant pipeline. The Company's vehicles fuel cost. 	Director of Bangkok Aviation Fuel Services PLC., Mr. Ath Hemvijitrphan, is authorized person of the Shell Company of Thailand Limited.
5. PTT PLC.	<ol style="list-style-type: none"> Provides aviation fuel service through hydrant pipeline. The Company's vehicles fuel cost. 	<ol style="list-style-type: none"> The Ministry of Finance is indirect major shareholder of Bangkok Aviation Fuel Services PLC. and major shareholder of PTT PLC. Directors of Bangkok Aviation Fuel Services PLC.: <ul style="list-style-type: none"> Mr. Krit Imsang (Retired on September 30th, 2015) Mr. Peratak Autadej (Started from Novemebr 5th, 2015), are authorized persons of PTT PLC.
6. Dhipaya Insurance PLC.	<ol style="list-style-type: none"> All risks insurance, all domestic risks insurance, and legal liability insurance to third parties. Auto insurance and protection of victims from vehicles accidents. 	The Ministry of Finance is indirect major shareholder of Bangkok Aviation Fuel Services PLC. and Dhipaya Insurance PLC.
7. NPC Safety and Environmental Service Co., Ltd.	Participation in "Safety Management", subscription of safety laws information and safety products purchasing.	The Ministry of Finance is indirect major shareholder of Bangkok Aviation Fuel Services PLC. and NPC Safety and Environmental Service Co., Ltd.

	Unit Price	Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
	-	49.84 million baht	3.95 million baht	Continued
	-	0.26 million baht	0.01 million baht	Continued
	-	196.97 million baht	17.71 million baht	Continued
	-	0.22 million baht	0.02 million baht	Continued
	-	2.31 million baht	-	Continued
	-	0.04 million baht	-	Continued
	-	0.05 million baht	-	-

3. Detail of connected transactions between Fuel Pipeline Transportation Limited and persons who may have conflicts of interests.

List of Names	Detail Description	Relations
1. Chevron (Thailand) Limited	<ol style="list-style-type: none"> 1. Aviation fuel transportation through pipeline and depot system to Suvarnabhumi Aviation Fuel Storage Station. 2. Aviation fuel transportation through pipeline and depot system to Don Mueang Aviation Fuel Storage Station. 3. Fuel transportation through underground pipeline and depot system to Bang Pa-In depot. 4. Fuel reserve service at Bang Pa-In depot. 5. Sales office management service at Bang Pa-In depot. 	Director of Bangkok Aviation Fuel Services PLC., Mr. Trintr Subakarn, is controlling person of Chevron (Thailand) Limited.
2. The Shell Company of Thailand Limited.	<ol style="list-style-type: none"> 1. Aviation fuel transportation through pipeline and depot system to Suvarnabhumi Aviation Fuel Storage Station. 2. Aviation fuel transportation through underground pipeline and depot system to Don Mueang Aviation Fuel Storage Station. 3. Fuel transportation through underground pipeline and depot system to Bang Pa-In depot. 4. Fuel reserve service at Don Mueang Aviation Fuel Storage Station and Bang Pa-In depot. 5. Office space rental at Bang Pa-In depot. 	Director of Bangkok Aviation Fuel Services PLC., Mr. Ath Hemvijitrathan, is controlling person of the Shell Company of Thailand Limited.

Unit Price		Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
	-	68.20 million baht	7.34 million baht	Continued
	-	2.78 million baht	0.05 million baht	Continued
	-	42.64 million baht	7.38 million baht	Continued
	-	8.16 million baht	-	Continued
	-	0.80 million baht	-	Continued
	-	32.35 million baht	2.55 million baht	Continued
	-	22.90 million baht	2.22 million baht	Continued
	-	0.16 million baht	0.75 million baht	Continued
	-	25.03 million baht	0.78 million baht	Continued
	-	0.30 million baht	0.02 million baht	Continued

List of Names	Detail Description	Relations
3. Bangchak Petroleum PLC. (Information ended on April 30 th , 2015)	<ol style="list-style-type: none"> 1. Aviation fuel transportation through pipeline and depot system to Suvarnabhumi Aviation Fuel Storage Station. 2. Aviation fuel transportation through underground pipeline and depot system to Don Mueang Aviation Fuel Storage Station. 3. Fuel transportation through underground pipeline and depot system to Bang Pa-In depot. 4. Fuel transportation through underground pipeline and depot system to Bang Pa-In depot of Bangchak Petroleum PLC. 5. Fuel distribution document service from Bang Pa-In depot. 6. Land and public utilities rental. 	<ol style="list-style-type: none"> 1. The Ministry of Finance is indirect major shareholder of Bangkok Aviation Fuel Services PLC. 2. The Ministry of Finance is direct and indirect major shareholder of Bangchak Petroleum PLC. (Information ended on April 30th, 2015)

	Unit Price	Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
	-	37.64 million baht	10.05 million baht	Continued
	-	-	-	Continued
	-	27.72 million baht	5.65 million baht	Continued
	-	61.51 million baht	15.84 million baht	Continued
	-	-	-	-
	-	1.27 million baht	0.32 million baht	Continued

List of Names	Detail Description	Relations
4. PTT PLC.	<ol style="list-style-type: none"> 1. Aviation fuel transportation through pipeline and depot system to Suvarnabhumi Aviation Fuel Storage Station. 2. Aviation fuel transportation through underground pipeline and depot system to Don Mueang Aviation Fuel Storage Station. 3. Fuel transportation through underground pipeline and depot system to Bang Pa-In depot. 4. Oil tank service, fuel receiving and distribution system by vehicle. 5. Office space rental at Bang Pa-In depot. 6. Land sub-lease and land utilization. 	<ol style="list-style-type: none"> 1. The Ministry of Finance is indirect major shareholder of Bangkok Aviation Fuel Services PLC. and major shareholder of PTT PLC. 2. Directors of Bangkok Aviation Fuel Services PLC.: <ul style="list-style-type: none"> - Mr. Krit Imsang (Retired on September 30th, 2015) - Mr. Peratak Autadej (Started from November 5th, 2015), are authorized persons of PTT PLC.
5. PTT Natural Gas Distribution Co., Ltd.	Pipeline service for natural gas transportation.	The Ministry of Finance is indirect major shareholder of Bangkok Aviation Fuel Services PLC. and PTT Natural Gas Distribution Co., Ltd
6. Airports of Thailand PLC. (AOT)	Land rental at the area along the airport's fence which locates in the areas of Suvarnabhumi Airport.	<ol style="list-style-type: none"> 1. The Ministry of Finance is indirect major shareholder of Bangkok Aviation Fuel Services PLC. and Airports of Thailand PLC. (AOT). 2. Director of Bangkok Aviation Fuel Services PLC., Mr. Nirandra Theeranartsin is director and executive of Airports of Thailand PLC. (AOT).

Unit Price		Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
-	-	-	-	Continued
-	2.04 million baht	0.10 million baht	Continued	
-	61.22 million baht	6.50 million baht	Continued	
-	-	-	-	-
-	0.23 million baht	0.02 million baht	Continued	
-	15.17 million baht	1.28 million baht	Continued	
-	0.72 million baht	0.06 million baht	Continued	
-	1.59 million baht	-	Continued	

List of Names	Detail Description	Relations
7. Dhipaya Insurance PLC.	<ol style="list-style-type: none"> 1. All risks insurance, insurance for legal liability to third parties, insurance for political violence protection, and insurance for legal liability of business control type 3 in according to fuel oils control law. 2. Property risks insurance and all risks insurance for mobile phone. 	The Ministry of Finance is indirect major shareholder of BAFS. and Dhipaya Insurance PLC.
8. NPC Safety and Environmental Service Co., Ltd.	Participation in “Advance fire-fighting”.	The Ministry of Finance is indirect major shareholder of BAFS and NPC Safety and Environmental Service Co., Ltd.

Unit Price		Total Amount (Excluding VAT)	Balance at of December 31 st , 2015 (Excluding VAT)	Continuation of Transactions
	-	7.91 million baht	-	Continued
	-	0.03 million baht	-	Continued
	-	0.057 million baht	-	-



Summarization of Opinions on Related Party Transactions for the Year 2015

The Company's Board of Directors has appointed the Audit Committee, which its members are independent directors; to consider connected transactions of the Company to ensure their compliances with laws and regulations of the Stock Exchange of Thailand and the office of the Securities and Exchange Commission.

In 2015, the Company had connected transactions with persons, who might have potential conflicts of interests, with normal business conditions whereby pricing policy for the connected transactions is disclosed in list of the related party transactions of transactions and connected businesses in Notes to Annual Financial Statements, ended on December 31, 2015.

Further, at the Board of Directors meeting held on February 17, 2016, where the Audit Committee had attended, the Board of Directors agreed with the Audit Committee's opinion that the connected transactions with persons who might have potential conflicts of interests were reasonable and beneficial to the business operation with detail as follows:

1. Connected transactions between the Company and persons who may have potential conflicts of interests.

1.1 Thai Airways International Public Company Limited

1.2 Chevron (Thailand) Limited

1.3 The Shell Company of Thailand Limited

Necessity and Reasonability

The Company provides services for aviation fuel storage, aircraft refuelling and aircraft defuelling at Don Mueang and Suvarnabhumi Airports.

The Company and the users companies, which are customers, have contracts with terms and service fees as same as terms and service fees with the external parties. However, new oil companies, which are not shareholders of the Company, will be charged for service fee in accordance to terms that are stipulated as policy and approved by the Board of Directors.

The Company had collected payments for aircraft refuelling services at Don Mueang Airport from the users companies and paid to Airports of Thailand PLC. in accordance to contract terms whereby the Company did not have interest in such payments.

The Audit Committee considered that those transactions were connected transactions in which necessary and the most beneficial to the Company's business operation as they were normal operations of aircraft refuelling service business at Don Mueang and Suvarnabhumi Airports.

Moreover, the Company provided customs formality services to the customers to complete its entire service process without service fee. The Audit Committee agreed that they were connected transactions to provide conveniences to the users, which deemed as normal business service with general commercial terms and beneficial to the Company's operation at Don Mueang and Suvarnabhumi Airports.

The Company bought air tickets for its marketing activities whereby Thai Airways International PLC. charged for such air tickets to the Company with market price. They were normal business supporting activities with general commercial terms. The Audit Committee agreed that they were connected transactions, but beneficial to the Company's business operation.

1.4 PTT Public Company Limited

Necessity and Reasonability

The Company had provided aviation fuel storage, aircraft refuelling and aircraft defuelling services at Don Mueang and Suvarnabhumi Airports and collected payments for aircraft refuelling services at Don Mueang Airport from PTT PLC. with detail of transactions as same as transactions that the Company had with Thai Airways International PLC., Chevron (Thailand) Limited and the Shell Company of Thailand Limited. The Audit Committee agreed that they were connected transactions, in which necessary and the most beneficial to the Company's business operation as they were normal operations of aircraft refuelling service business at Don Mueang and Suvarnabhumi Airports.

In Addition, the Company also provided services for aviation fuel storage, aircraft refuelling and aircraft defuelling at Samui Airport and Sukhothai Airport including Trat Airport, where the Company started to provide the same services in March 2015. PTT PLC. was sole company that transferred aircraft fuel and products for aircraft refuelling via aircraft refuelling system. PTT PLC. agreed to pay for service fee to the Company in accordance to specified terms and conditions. The Audit Committee considered that their transactions were connected transactions, but beneficial to the Company's business operation.

The Company agreed to pay for its vehicles' fuel to PTT PLC. by card whereby PTT PLC. would charges for fuel to the Company with market price and general commercial terms. The Audit Committee considered that their transactions were connected transactions, but beneficial to the Company's business operation.

1.5 Airports of Thailand Public Company Limited

Necessity and Reasonability

- Don Mueang Airports

The Company has made fuel hydrant pipeline rental contract with Airports of Thailand PLC (AOT). It is normal business activity for into-plane service business to use fuel hydrant pipeline at Don Mueang Airport. The Company must pay for fuel pipeline rental fee with rate as mentioned in the agreement and is charged for rental fee adjusted in according to the general Consumer Price Index of the country.

Further, the Company had collected payments for aircraft refuelling services at Don Mueang Airport from the users companies and paid to Airports of Thailand PLC. in accordance to contract terms whereby the Company did not have interest in such payments.

The Audit Committee considered that those transactions were connected transactions in which necessary and the most beneficial to the Company's business operation as they were normal operations of aircraft refuelling service business at Don Mueang Airport.

The Company also makes contract to rent building and areas of both inside and outside of aircraft parking area at Don Mueang Airport for its business operation in providing into-plane service and parking space for its employees who are operatives at Don Mueang Airport's aircraft parking area. The rental fee's rate is the same rate that charged to external parties.

The Audit Committee considered that those transactions were connected transactions in which necessary and the most beneficial to the Company's business operation as they were normal operations of aircraft refuelling service business at Don Mueang Airport.

- **Suvarnabhumi Airport**

The Company has made contract with AOT. in providing aircraft refuelling system service at Suvarnabhumi Airport whereby AOT. receives permit from Airports of Thailand PLC. to operate aircraft refuelling and aircraft defuelling at Suvarnabhumi Airport for 20 years which started from the Airport's official opening date on September 28, 2006. The Company shall pay for compensation as per rate mentioned in the contract and such rate is the same rate that charged to third persons. The Company obliges to comply with other regulations as well.

The Audit Committee considered that those transactions were connected transactions in which necessary and the most beneficial to the Company's business operation as they were normal operations of aircraft refuelling service business at Suvarnabhumi Airport.

The Company also makes contract to rent space area outside of aircraft parking area at Suvarnabhumi Airport for building construction and other construction used for into-plane service for 20 years which started from the Airport's official opening date. The rate of rental fee is the same rate that charged to external parties.

Besides, the Company has made rental agreement to rent room and space outside of aircraft parking area at Suvarnabhumi Airport to use as its office and vehicles parking area including storage for field equipment. The rate of rental fee is the same rate that charged to external parties.

The Audit Committee considered that those transactions were connected transactions in which necessary and the most beneficial to the Company's business operation as they were normal operations of aircraft refuelling service business at Suvarnabhumi Airport.

The Company also uses public facilities and other facilities of AOT. in the airport's area, which are additional services that the AOT has provided to the Company in order to operate its into-plane service at Suvarnabhumi Airport. The Company has to pay for service fees with the same rates that the AOT has charged to external parties. The Company has to comply with regulations of the AOT as well. The Audit Committee considered that those transactions were connected transactions in which necessary general commercial term and beneficial to the Company's business operation as they were normal operations of aircraft refuelling service business at any airport.



1.6 The Ministry of Finance

Necessity and Reasonability

The Company has made contract with the Ministry of Finance for rental which connects to its office, to use for project of into-plane system service including to have sub-leasing by Fuel Pipeline Transportation Limited for its business operation purpose. The Company must pay for the rent and comply with terms specified in the contract.

The Audit Committee considered that those transactions were connected transactions in which necessary and the most beneficial to the Company's business operation as they were normal operations of aircraft refuelling service business at Don Mueang Airport.

1.7 Thai Petroleum Pipeline Co., Ltd.

Necessity and Reasonability

- Don Mueang Aviation Fuel Storage Station

The Company had made land leasing agreement and service agreement for public facilities at Don Mueang Aviation Fuel Storage Station with Thai Petroleum Pipeline Co., Ltd. (THAPPLINE) for its building construction and convenience in aircraft fuel receipt and distribution, which transferred via fuel pipeline of THAPPLINE. As mentioned in the contract, THAPPLINE must pay for rental fee and service fee as well as follow terms and conditions include rental fee and service fee adjustment. However, as THAPPLINE just returned to operate commercial business at Don Mueang Airport on November 1, 2012, in order to serve the Government's policy in using Don Mueang Airport as low-cost carrier base for domestic routes and point-to-point international routes; therefore, THAPPLINE requested for 3-year contract extension, which started from July 1, 2013 to June 30, 2016 with the same rental fee and service fee.

The Audit Committee considered that those transactions were connected transactions, but they were rental and service contracts for THAPPLINE's building construction and convenience in aircraft fuel receipt and distribution in which necessary and the most beneficial to the Company's business operation as they were normal operations of aircraft refuelling service business at Don Mueang Airport.

- **Suvarnabhumi Aviation Fuel Storage Station**

The Company has made land and building leasing agreement together with service agreement with THAPPLINE at Suvarnabhumi Aviation Fuel Storage Station for THAPPLINE's building construction and fuel pipeline transporting system. THAPPLINE must pay for rental fee and perform in compliance with terms specified in agreements including rental fee adjusted in according to the general Consumer Price Index of the country.

Public utilities mentioned herewith exclude water used for fire-fighting system whereby service charges for water supply and electrical power are collected as per their actual quality consumption.

The Audit Committee considered that those transactions were connected transactions, but they were rental and service contracts for THAPPLINE's building construction and fuel pipeline transporting system in which necessary and the most beneficial to the Company's business operation. They were deemed as normal operations of aircraft refuelling service business at Suvarnabhumi Airport.

1.8 Dhipaya Insurance Public Company Limited

Necessity and Reasonability

The Company had prepared all risks insurance, legal liability insurance to third parties and property insurance from terrorism, and auto insurance and protection of victims from car accidents with Dhipaya Insurance PLC (Dhipaya Insurance). Therefore, the Company must pay for insurance premiums and perform in compliance with terms and conditions specified in insurance policies. The insurance premiums were charged to the Company in accordance to insurance market rates. The Audit Committee considered that those transactions were connected transactions which were necessary and beneficial to the Company's business operation. They were executed in order to provide protection and to reduce impact from damage might occur from the Company's aircraft refuelling service operations at airports.

1.9 NPC Safety and Environmental Service Company Limited

Necessity and Reasonability

The Company appointed NPC Safety and Environmental Service Co., Ltd (NPC S&E). to arrange the training courses: "Advance fire-fighting", "Fire Commandment" and "Commander at the Scene". NPC S&E is famous organization and its training courses regarding risk management for risks from crisis or disaster are well accepted.

Its service charges provided to the Company were the same rate that charged to external parties. As the Company was well aware of problems that could have impact on its operation's efficiency in the event of crisis and in the timeliest possible manner; therefore, the Audit Committee considered that those transactions were connected transactions with general commercial terms and beneficial to the Company's business operation.

2. Connected transactions between Thai Aviation Refuelling Co., Ltd. (Subsidiary) and persons who may have potential conflicts of interests.

2.1 Airports of Thailand Public Company Limited

Necessity and Reasonability

Thai Aviation Refuelling Co., Ltd. received permit from Airports of Thailand PLC. (AOT) to operate aviation fuel transportation service via hydrant pipeline at Suvarnabhumi Airport for 30-year period which started from the Airport's official opening date on September 28, 2006. TARCO must pay compensation for such permit granted for 2% calculated from its revenue before expenditure deduction as mentioned in terms and conditions of the Permit Agreement for aviation fuel transportation service via hydrant pipeline (Permit Agreement) at Suvarnabhumi Airport.

In according to AOT's Suvarnabhumi Airport development plan for phase 2, TARCO had studied and designed hydrant pipeline system for phase 2 accordingly. Then, TARCO submitted its detail with pipeline layout plans to AOT for its further investment purpose on September 16, 2010. Later, at the meeting of AOT's Board of Directors on June 10, 2013, the Board agreed that hydrant pipeline system service for phase 2 was part of the Permit Agreement. Therefore, to ensure completion of Suvarnabhumi Airport phase 2 that must be finished and available for service in timeframe mentioned in policy that stipulated by the Cabinet, the AOT's Board of Directors agreed to have TARCO to start hydrant pipeline system construction for phase 2 at Suvarnabhumi Airport before signing onto additional provision agreement.

Furthermore, TARCO and AOT signed onto the memorandum of understanding on September 23, 2013 in order to allow TARCO to start hydrant pipeline system construction for phase 2 at Suvarnabhumi Airport prior to their mutual signing onto additional provision agreement. In case of any event that might cause cancellation, restraint, postponement or significant change to hydrant pipeline system construction for phase 2 project, which resulted in cancellation of additional provision agreement signing, both parties would discuss in good faith on the basis of the Permit Agreement. In addition, to provide fairness to TARCO, compensation for its investment and other actual expenses would be reimbursed and paid to TARCO. In the meantime, TARCO must transfer construction project that had been processed and whole assets to AOT or the Ministry of Finance or other organization in which AOT would notify to TARCO.

TARCO has made land rental contract at Suvarnabhumi Airport to place its equipment, hydrant pipelines and other facilities as well as to park aviation fuel vehicles. Moreover, TARCO has made rental agreement for room in the aviation parking area to be its office together with space in aircraft parking area to park its vehicles and store facilities equipment. The rates of rental fees are the same rates AOT charges to external parties.

Additionally, TARCO uses public facilities and other facilities of AOT at Suvarnabhumi Airport in which AOT provides to TARCO to support its operation. TARCO must pay for service fees and perform in accordance to terms and conditions specified by AOT. The rates of service fees are the same rates that AOT charges to external parties.

The Audit Committee considered that those transactions were connected transactions and the most beneficial to TARCO's business operation as they were normal business activities of aviation fuel transportation service at Suvarnabhumi Airport.

2.2 Thai Airways International Public Company Limited

2.3 Chevron (Thailand) Limited

Necessity and Reasonability

TARCO provides aviation fuel transportation service via hydrant pipeline at Suvarnabhumi Airport for Thai Airways International PLC. and Chevron (Thailand) Limited. TARCO, BAFS and the user companies, who are customers, have entered into agreements with terms and conditions on aviation fuel price and service charge that are the same rate which charge to external parties. BAFS is responsible for collecting payments from the customers for TARCO. In the same time, BAFS and TARCO have made service agreement for such payments collecting clearly.

The Audit Committee considered that those transactions were connected transactions which necessary and the most beneficial to TARCO's business operation as they were normal business activities of aviation fuel transportation service at Suvarnabhumi Airport.



2.4 The Shell Company of Thailand Limited

2.5 PTT Public Company Limited

Necessity and Reasonability

TARCO provides aviation fuel transportation service via hydrant pipeline at Suvarnabhumi Airport for the Shell Company of Thailand Limited PTT PLC (PTT). with detail of transactions as same as transactions that TARCO has with Thai Airways International PLC. and Chevron (Thailand) Limited.

The Audit Committee considered that those transactions were connected transactions which necessary and the most beneficial to TARCO's business operation as they were normal business activities of aviation fuel transportation service at Suvarnabhumi Airport.

Moreover, TARCO has agreed to use fuel cards of Shell and PTT to pay for fuel for its vehicles. Shell and PTT charge TARCO for fuel with the same market prices and normal commercial terms.

The Audit Committee considered that those transactions were connected transactions with normal commercial terms and beneficial to TARCO's business operation.

2.6 Dhipaya Insurance Public Company Limited

Necessity and Reasonability

TARCO had prepared all risks insurance, all domestic risks insurance and legal liability insurance to third parties including auto insurance and protection of victims from car accident with Dhipaya Insurance PLC. TARCO must pay for insurance premiums and perform in compliance with terms and conditions specified in insurance policies. The insurance premiums were charged to TARCO in accordance to insurance market rates.

The Audit Committee considered that those transactions were connected transactions which were necessary and beneficial to protect against damages, which may pose impact to the assets and TARCO's business operation.

2.7 NPC Safety and Environmental Service Company Limited

Necessity and Reasonability

TARCO's employees had taken course "Safety Management" which organized by NPC Safety and Environmental Service Co., Ltd. TARCO also purchased subscription of safety laws information and safety products from NPC Safety and Environmental Service Co., Ltd. All charges were the same rate that NPC Safety and Environmental Service Co., Ltd. charges to external parties.

The Audit Committee considered that those transactions were connected transactions with general commercial terms and beneficial for TARCO's business operation, especially for its safety management as required by laws.

3. Connected transactions between Fuel Pipeline Transportation Limited (Subsidiary) and persons who may have potential conflicts of interests.

3.1 Chevron (Thailand) Limited

Necessity and Reasonability

Fuel Pipeline Transportation Limited (FPT) provides aviation fuel and oil transportation via multi-products pipeline from the fuel reception point 3 locations include Bangchak oil refinery, oil depot of The Shell Company of Thailand Limited and oil depot of Chevron (Thailand) Limited (Chevron) at Chongnonsi, then, deliver it to Bangkok Aviation Fuel Services PLC.'s Aviation Fuel Storage Stations at Don Mueang Airport and Suvarnabhumi Airport. Besides, FPT also transfers oil to its depot located at Bang Pa-In, Ayudhdhaya. FPT had transactions with Chevron in providing aviation fuel and oil transportation as mentioned above whereby prices, terms and conditions of service that FPT offered to Chevron were the same prices, terms and conditions of service that FPT offered to the external parties.

The Audit Committee considered that their transactions were connected transactions with general commercial terms that is necessary and the most beneficial for FPT's business operation as FPT is service provider for aviation fuel and oil transportation via pipeline network to aviation fuel storage stations and depot as mentioned above.

FPT had also made agreement with Chevron for oil reserves at Bang Pa-In depot as required by law. This transaction supported main business of FPT. The service terms and fee that FPT charged to Chevron was market price.

The Audit Committee considered that it was connected transactions which served the government sector's policy and was beneficial to FPT's business operation.

Moreover, FPT had provided sales office management service to Chevron at Bang Pa-In depot. It is Chevron's sales office for oil distribution to oil stations and customers in industrial sector. As Chevron has policy in not to hiring employee for sales offices in regional depots, FPT, therefore, provides sales office management service to Chevron with terms and service fee that calculated from quantity of oil distributed from Bang Pa-In depot.

The Audit Committee considered that those transactions were connected transactions which provided convenience to Chevron and beneficial to FPT's business operation at Bang Pa-In depot.

3.2 The Shell Company of Thailand Limited

Necessity and Reasonability

FPT had provided aviation fuel and oil transportation via underground pipeline to Shell Company of Thailand Limited (Shell) with the same terms and service fee that FPT offered to Chevron.

The Audit Committee considered that those transactions were connected transactions which were normal business that is necessary and the most beneficial to FPT as FPT was service provider for aviation fuel and oil transportation via pipeline to storage stations and depot as mentioned.

FPT had also made agreement with Shell for oil reserves at Aviation Fuel Storage Stations at Don Mueang Bang Pa-In depot as required by law. This transaction supported main business of FPT. The service fee that FPT charged to Shell was market price.

The Audit Committee considered that this transaction was connected transactions which served the government sector's policy and was beneficial to FPT's business operation.

Moreover, FPT had made leasing agreement for office building at Bang Pa-In depot with Shell in order to use as documentation office. The leasing conditions and rental fee FPT offered to Shell was the same rate that charged to external parties.

The Audit Committee considered that it was connected transactions which provided convenience to Shell that is necessary and beneficial to FPT's business operation at Bang Pa-In depot.

3.3 Bangchak Petroleum Public Company Limited

Necessity and Reasonability

FPT had provided aviation fuel and oil transportation via underground pipeline to Bangchak Petroleum PLC (Bangchak) in a similar manner it did to Chevron and shell. For oil transportation, it was transported to both of FPT depot and Bangchak depot at Bang Pa-In. The terms and rate of service fee for Bangchak was as same as the rate FPT offered to external parties.

The Audit Committee considered that it was connected transactions which were normal business that is necessary and the most beneficial to FPT as FPT was service provider for aviation fuel and oil transportation via pipeline to storage stations and depot as mentioned.

FPT had also made agreement with Bangchak for oil distributing documentation service at Bang Pa-In depot. This service was to provide oil distributing documents for Bangchak's customers who pick up oil at FPT's Bang Pa-In depot. FPT provided documentation service to Bangchak with terms and service fee that calculated from quantity of oil distributed from FPT's Bang Pa-In depot.

The Audit Committee considered that it was connected transactions which provided convenience to Bangchak and beneficial to FPT's business operation.

Moreover, FPT had made land rental agreement and joint agreement for public facilities system using with Bangchak for 30-years period, which started from April 1, 1993. The land was used for depot construction to restore petroleum products that transferred via FPT's fuel pipeline. FPT must pay for the rental fee and perform in accordance to conditions specified in the agreement.

The Audit Committee considered that these transactions were connected transactions for land rental to construct oil depot, office building and others. These connected transactions were deemed necessary and the most beneficial to FPT's business operation as they were normal business of fuel transportation via pipeline and oil depot business.

3.4 PTT Public Company Limited

Necessity and Reasonability

FPT had provided aviation fuel and oil transportation via underground pipeline to PTT PLC (PTT). with the same terms and service fee that FPT offered to Chevron and shell.



The Audit Committee considered that it was connected transactions which were normal business that is necessary and the most beneficial to FPT as FPT was service provider for aviation fuel and oil transportation via pipeline to storage stations and depot as mentioned.

FPT had made agreement with PTT for oil tank service including oil receipt and distribution by trucks in order to receive, store and distribute oil or alternative energy at Bang Pa-In depot. FPT had also made agreement for office building rental with PTT in order to use as office for oil distribution. The conditions and rental fee FPT offered to PTT was the same rate that charged to external parties.

The Audit Committee considered that these transactions were connected transactions for oil tank utilization in receipt, store and distribution oil or alternative energy including office building rental for oil distributing documentation from Bang Pa-In depot. These connected transactions were beneficial to FPT's business operation.

Moreover, FPT had made land sub-leasing agreement and land utilization with PTT in order to construct natural gas pipeline. FPT charged for sub-leasing fee with the actual rental fee that FPT paid to the State Railway of Thailand (SRT) plus 5.5% for operating cost.

The Audit Committee considered that it was connected transactions in order to let PTT to utilize land for NGV pipeline construction which would be used as alternative energy. It was beneficial to FPT and did not cause any transfer of benefits.

3.5 PTT Natural Gas Distribution Company Limited

Necessity and Reasonability

FPT had made agreement with PTT Natural Gas Distribution Co., Ltd. (PTT NGD) in providing pipeline service for natural gas transportation from the area around Liap Klong Prem Prachakon road to the entrance of Bangchak Biofuel Co., Ltd. The pipeline was old pipeline that had not been used by FPT. Terms of service and service charge were considered and calculated from the remaining cost of asset in book value and quantity of natural gas transferred. The activity helps adding value to FPT's unused asset as well.

The Audit Committee considered that it was connected transactions in order to provide convenience to PTT NGD and to utilize FPT's asset to achieve maximum benefits.

3.6 Airports of Thailand Public Company Limited

Necessity and Reasonability

FPT had made land rental agreement with Airports of Thailand PLC. (AOT) for the area along the airport's fence in Suvarnabhumi Airport's area for laying pipe in order to transfer aviation fuel from the refineries to BAFS' Suvarnabhumi Aviation Fuel Storage Station. The rate of rental fee was the same rate that AOT charged to the others.

The Audit Committee considered that it was connected transactions in which necessary and the most beneficial for FPT's business operation whereby fuel pipeline must be buried underground for aviation fuel transportation from the user companies to BAFS's Aviation Fuel Storage Station at Suvarnabhumi Airport.

3.7 Dhipaya Insurance Public Company Limited

Necessity and Reasonability

FPT had prepared all risks insurance, insurance for legal liability to third parties, insurance for political violence protection, insurance for legal liability of business control type 3 in according to fuel control law, property risks insurance and all risks insurance for mobile phone with Dhipaya Insurance PLC. The insurance premiums were in accordance to insurance market price.

The Audit Committee considered that these transactions were connected transactions which were necessary and beneficial to the FPT's business operation and to protect its assets as well.

3.8 NPC Safety and Environmental Service Company Limited (NPC S&E)

Necessity and Reasonability

FPT appointed NPC Safety and Environmental Service Co., Ltd. (NPC S&E) to arrange the "Advance fire-fighting" training course. Due to NPC S&E is famous organization and its training courses regarding risk management for risks from crisis or disaster are well accepted. Its service charge provided to FPT was the same rate that charged to external persons.

As FPT was well aware of problems that could have impact on its operation's efficiency in the event of crisis; therefore, the Audit Committee considered that it was connected transactions with general commercial terms and beneficial to the Company's business operation.

Measure or Procedure for Connected Transaction Approval

Measure or Procedure for Connected Transaction Approval

The Company stipulated procedure for connected transactions with persons who may have conflicts of interests including information disclosure of such connected transactions to fulfill requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The explicit procedure guidelines have been updated consistently in accordance to the SET and the SEC's regulations. In case any connected transaction has to be approved by the shareholders' meeting or the Company's Board of Directors, such transaction shall be considered and screened firstly by the independent Audit Committee. In the event that the Audit Committee renders different comment from the Board's comment on such transaction, the Company will disclose detail of their different comments as well. For any approval of connected transaction, the Company takes into account maximum benefits of its business operation including fairness, reasonability of transaction in accordance to market price and normal commercial term. In addition, as defined in the Company's Articles of Association, director who has interest on any matter is not entitled to participate in its approval.

Further, the Company's Board of Directors approved on principles of trade agreement with general commercial terms in transactions between the Company and its subsidiaries with directors, executives or relevant persons in order to enable the Company to operate pursuant to Section 89/12 (1) of the Securities Exchange Act (No. 4) B.E. 2551

Policy and Tendency of Connected Transactions in the Future

The Company imposed connected transaction policy in compliance to regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Company also determined terms and conditions for connected transactions in accordance to fair prices and commercial terms without transfer of benefits to and among the Company, its subsidiaries and shareholders. Considering its nature of business in which providing entire aviation fuel service together with its shareholding structure that comprised of the Thai Airways International PLC., the Airports of Thailand PLC. and many oil companies; therefore, the Company has a tendency to process connected transactions with persons/other business enterprises which may continually cause conflicts in the future. However, every connected transaction is reasonable, necessary and beneficial to the Company's business operation as well as occurs from normal business operations of into-plane services at Don Mueang Airport, Suvarnabhumi Airport including airports at Samui, Sukhothai and Trat as well. The Company will disclose connected transactions list in notes to the financial statements that are audited by the auditor of the Company in according to accounting standards set by the Federation of accounting professions.

Furthermore, the Company has prepared all risk insurance and legal liability insurance to third parties and property insurance from terrorism with Dhipaya Insurance PLC. to cover risks and reduce impact from damage which may occur from its business operations. These transactions; therefore, are beneficial to normal business operations of the Company.



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