

Bangkok Aviation Fuel Services Public Company Limited
and its subsidiaries
Review report and consolidated interim financial statements
For the three-month period ended 31 March 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangkok Aviation Fuel Services Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries as at 31 March 2018, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Bangkok Aviation Fuel Services Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Vissuta Jariyathanakorn

Certified Public Accountant (Thailand) No. 3853

EY Office Limited

Bangkok: 7 May 2018

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2018

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2018</u>	<u>31 December 2017</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	3	1,733,576	1,453,688	927,215	782,630
Current investments	4	669,991	610,914	209,390	209,390
Trade and other receivables	5	372,517	353,059	295,073	291,800
Inventories		29,519	33,681	13,206	16,697
Current portion of long-term loan to and receivable from related party	2	-	-	71,580	71,580
Dividend receivable from subsidiary	2	-	-	172,292	-
Other current financial assets		80,933	51,005	10,834	9,804
Other current assets		51,280	53,760	28,904	28,941
Total current assets		2,937,816	2,556,107	1,728,494	1,410,842
Non-current assets					
Restricted bank deposits	13	69,676	70,251	-	-
Long-term investment		1,994	1,994	-	-
Investment in subsidiaries	6	-	-	4,393,102	4,393,102
Long-term loan to and receivable from related party, net of current portion	2	-	-	202,802	220,697
Investment property	7	47,953	47,953	47,953	47,953
Property, leasehold improvement and equipment	8	8,119,369	7,204,190	2,365,043	2,418,460
Projects costs under concession agreements	9	1,651,806	1,675,775	126,145	129,770
Right to use assets under lease agreements	10	34,164	35,071	-	-
Intangible assets	11	35,628	37,818	32,830	34,626
Deferred tax assets		191,898	187,437	164,613	161,280
Advance Payment for construction		521,818	589,302	7,864	7,864
Other non-current assets		8,700	8,503	6,999	6,871
Total non-current assets		10,683,006	9,858,294	7,347,351	7,420,623
Total assets		13,620,822	12,414,401	9,075,845	8,831,465

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

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2018</u>	<u>31 December 2017</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	12	338,337	430,297	139,127	197,055
Current portion of liabilities under finance lease agreement		8,910	10,775	58,781	62,971
Current portion of long-term loans	13	422,772	497,444	285,872	357,044
Current portion of long-term liabilities under rehabilitation plan	14	4,069	4,118	-	-
Current portion of provision for land leased related to concession agreement	15	3,783	3,645	3,783	3,645
Corporate income tax payable		124,470	64,322	54,165	25,755
Other current liabilities		73,770	67,593	35,633	46,073
Total current liabilities		976,111	1,078,194	577,361	692,543
Non-current liabilities					
Liabilities under finance lease agreement, net of current portion		11,880	9,502	51,894	54,646
Long-term loans, net of current portion	13	3,573,671	2,645,966	2,250,000	2,274,200
Long-term liabilities under rehabilitation plan, net of current portion	14	10,465	11,462	-	-
Provision for land leased related to concession agreement, net of current portion	15	40,467	41,477	40,467	41,477
Provision for long-term employee benefits	16	960,796	939,313	812,512	795,550
Other non-current liabilities	2	151,393	118,766	6,064	5,795
Total non-current liabilities		4,748,672	3,766,486	3,160,937	3,171,668
Total liabilities		5,724,783	4,844,680	3,738,298	3,864,211

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

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>31 March 2018</u>	<u>31 December 2017</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
637,496,657 ordinary shares of Baht 1 each	637,497	637,497	637,497	637,497
Issued and fully paid-up				
637,496,153 ordinary shares of Baht 1 each	637,496	637,496	637,496	637,496
Share premium	434,975	434,975	434,975	434,975
Difference resulting from change in interest in subsidiary				
without loss of control	410,077	410,077	-	-
Retained earnings				
Appropriated - statutory reserve	63,750	63,750	63,750	63,750
- other reserve	1,947,283	1,947,283	1,947,283	1,947,283
Unappropriated	3,058,642	2,735,995	2,254,043	1,883,750
Equity attributable to owners of the Company	6,552,223	6,229,576	5,337,547	4,967,254
Non-controlling interests of the subsidiaries	1,343,816	1,340,145	-	-
Total shareholders' equity	7,896,039	7,569,721	5,337,547	4,967,254
Total liabilities and shareholders' equity	13,620,822	12,414,401	9,075,845	8,831,465
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2018

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Service income		966,162	930,817	594,031	578,580
Dividend income	6	-	-	172,292	153,642
Other income		11,417	18,798	28,294	28,994
Total revenues		977,579	949,615	794,617	761,216
Expenses					
Costs of service		378,159	364,379	253,953	249,771
Administrative expenses		131,191	135,851	87,491	86,325
Total expenses		509,350	500,230	341,444	336,096
Profit before finance cost and income tax expenses		468,229	449,385	453,173	425,120
Finance cost		(34,920)	(39,055)	(33,380)	(37,619)
Profit before income tax expenses		433,309	410,330	419,793	387,501
Income tax expenses	17	(87,847)	(83,216)	(49,500)	(46,772)
Profit for the period		345,462	327,114	370,293	340,729
Other comprehensive income:					
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		345,462	327,114	370,293	340,729

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

(Unaudited but reviewed)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht, except basic earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit attributable to:				
Equity holders of the Company	322,647	305,598	370,293	340,729
Non-controlling interests of the subsidiaries	22,815	21,516		
	<u>345,462</u>	<u>327,114</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	322,647	305,598	370,293	340,729
Non-controlling interests of the subsidiaries	22,815	21,516		
	<u>345,462</u>	<u>327,114</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>0.51</u>	<u>0.48</u>	<u>0.58</u>	<u>0.53</u>

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

(Unaudited but reviewed)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	433,309	410,330	419,793	387,501
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:-				
Depreciation and amortisation	138,740	136,052	73,499	72,315
Loss (gain) on disposal of equipment	(263)	116	-	-
Unrealised loss on exchange	454	8,390	426	326
Amortisation in premium of forward contract	(31)	651	(31)	-
Dividend income	-	-	(172,292)	(153,642)
Long-term employee benefits expenses	15,541	10,799	12,108	8,217
Interest income	(4,928)	(12,407)	(6,181)	(7,975)
Interest expenses	34,920	39,055	33,380	37,619
Income from operating activities before changes in operating assets and liabilities	617,742	592,986	360,702	344,361
Operating assets (increase) decrease				
Trade and other receivables	(19,859)	7,782	(3,674)	17,522
Inventories	4,162	(717)	3,491	(595)
Other current assets	(26,590)	(28,901)	(204)	1,484
Other non-current assets	(197)	(58)	(128)	35
Operating liabilities increase (decrease)				
Trade and other payables	(41,475)	(72,369)	(20,136)	(13,883)
Other current liabilities	(12,961)	(23,591)	(10,434)	(9,612)
Provision for long-term employee benefits	-	(3,085)	-	(3,085)
Other non-current liabilities	31,148	17,534	(1,210)	(840)
Cash flows from operating activities	551,970	489,581	328,407	335,387
Cash paid for corporate income tax	(32,229)	(31,974)	(24,423)	(24,288)
Net cash flows from operating activities	519,741	457,607	303,984	311,099

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

(Unaudited but reviewed)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Increase in current investment	(59,077)	(1,046)	-	-
Decrease in long-term loan to and receivable from related party	-	-	17,895	17,895
Decrease in restricted bank deposits	575	-	-	-
Interest received	4,139	11,536	5,392	7,102
Increase in advance payment for construction	(31,863)	-	-	-
Acquisitions of property, leasehold improvement and equipment	(969,161)	(766,636)	(54,123)	(25,546)
Acquisitions of intangible assets	(118)	(466)	(118)	(466)
Proceed from disposal of equipment	313	5	-	-
Cash flows used in investing activities	(1,055,192)	(756,607)	(30,954)	(1,015)
Cash flows from financing activities				
Repayment of liabilities under finance lease agreements	(2,878)	(2,692)	(8,514)	(8,612)
Cash receipt from long-term loans	986,005	47,145	-	-
Repayment of long-term loans	(132,972)	(132,972)	(95,372)	(95,372)
Repayment of long-term liabilities under rehabilitation plan	(1,046)	(1,094)	-	-
Interest paid	(33,742)	(36,746)	(24,559)	(32,359)
Net cash flows from (used in) financing activities	815,367	(126,359)	(128,445)	(136,343)
Unrealised loss on exchange for cash and cash equivalents	(28)	(26)	-	-
Net increase (decrease) in cash and cash equivalents	279,888	(425,385)	144,585	173,741
Cash and cash equivalents at beginning of period	1,453,688	4,148,228	782,630	767,345
Cash and cash equivalents at end of period	1,733,576	3,722,843	927,215	941,086
	-	-	-	-
Supplemental cash flow information:				
Non-cash transactions				
Increase in vehicles under finance lease agreements	4,799	4,024	1,481	4,024
Write-off vehicles with liabilities under finance lease agreement	1,637	453	1,637	453
Dividend receivable from dividend declaration of subsidiary	-	-	172,292	153,642
Transfer advance payment for construction to property, leasehold improvement and equipment	99,347	15,678	-	399
Construction and equipment payables increase (decrease)	(52,010)	60,697	(39,424)	(11,547)

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

(Unaudited but reviewed)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries**Statement of changes in shareholders' equity****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

Consolidated financial statements									
Equity attributable to owners of the Company									
	Issued and fully paid-up share capital	Share premium	Difference resulting from change in interest in subsidiary without loss of control	Retained earnings			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
				Appropriated		Unappropriated			
				Legal reserve	Other reserve				
Balance as at 1 January 2017	637,496	434,975	410,077	63,750	1,664,528	2,845,863	6,056,689	1,314,510	7,371,199
Profit for the period	-	-	-	-	-	305,598	305,598	21,516	327,114
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	305,598	305,598	21,516	327,114
Dividend paid from subsidiary	-	-	-	-	-	-	-	(17,071)	(17,071)
Balance as at 31 March 2017	<u>637,496</u>	<u>434,975</u>	<u>410,077</u>	<u>63,750</u>	<u>1,664,528</u>	<u>3,151,461</u>	<u>6,362,287</u>	<u>1,318,955</u>	<u>7,681,242</u>
Balance as at 1 January 2018	637,496	434,975	410,077	63,750	1,947,283	2,735,995	6,229,576	1,340,145	7,569,721
Profit for the period	-	-	-	-	-	322,647	322,647	22,815	345,462
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	322,647	322,647	22,815	345,462
Dividend paid from subsidiary	-	-	-	-	-	-	-	(19,144)	(19,144)
Balance as at 31 March 2018	<u>637,496</u>	<u>434,975</u>	<u>410,077</u>	<u>63,750</u>	<u>1,947,283</u>	<u>3,058,642</u>	<u>6,552,223</u>	<u>1,343,816</u>	<u>7,896,039</u>

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

(Unaudited but reviewed)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Separate financial statements					Total
	Issued and fully paid-up share capital	Share premium	Retained earnings			
			Appropriated		Unappropriated	
			Legal reserve	Other reserve		
Balance as at 1 January 2017	637,496	434,975	63,750	1,664,528	2,104,815	4,905,564
Profit for the period	-	-	-	-	340,729	340,729
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	340,729	340,729
Balance as at 31 March 2017	<u>637,496</u>	<u>434,975</u>	<u>63,750</u>	<u>1,664,528</u>	<u>2,445,544</u>	<u>5,246,293</u>
Balance as at 1 January 2018	637,496	434,975	63,750	1,947,283	1,883,750	4,967,254
Profit for the period	-	-	-	-	370,293	370,293
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	370,293	370,293
Balance as at 31 March 2018	<u>637,496</u>	<u>434,975</u>	<u>63,750</u>	<u>1,947,283</u>	<u>2,254,043</u>	<u>5,337,547</u>

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

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month period ended 31 March 2018

1. General information

1.1 Basis for preparation of interim financial statements

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

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

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

1.2 Basis of consolidation

These interim consolidated financial statements include the financial statements of Bangkok Aviation Fuel Services Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017. There have been no changes in the composition of the group.

The separate financial statements present investments in subsidiaries under the cost method.

1.3 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarized below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

2. Related party transactions

During the periods, 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. Service expenses paid to the subsidiaries are based on the actual service provided and expenses incurred.
2. Rental charge for an office building from 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 subsidiary is based on the contract price between the parties.
4. Interest on loan is charged at the rate of MLR-1.25 and 1.50 percent per annum.
5. Service income is based on the contract price between the parties.
6. Rental charge for receiving pipeline system from subsidiary 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.
7. Rental charges for land is based on rental expense paid to Treasury Department and plus 5 percent of annual rental.
8. Rental charge for land and building include utilities at Suvarnabhumi aviation fuel storage station 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 aviation fuel storage station, the contract is renewed every-3-year at the agreed price. From 1 July 2013, the rental charge at Don Muang aviation fuel storage station is based on a fixed rate throughout the 3 years lease agreement.
Rental charge for other land at the rate stipulated in the agreement.
9. The Company has to pay a concession fee for Into-plane service at Suvarnabhumi Airport at the rate stipulated in the agreement.
10. 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.
11. The Company and its subsidiaries have to pay the rental fee for land and space at a rate stipulated in the agreement.

(Unaudited but reviewed)

12. 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.
13. Land rental and utility expenses paid to related company at an agreed price.
14. Dividend income is based on the resolution of the Annual General Meeting of shareholders of subsidiary.

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

(Unit: Million Baht)

	For the three-month period ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Office building and land rental income	-	-	3	3	(2) (7)
Pipeline receiving system rental income	-	-	8	8	(3) (6)
Dividend income	-	-	172	154	(14)
Interest income	-	-	4	4	(4)
Other income	-	-	6	6	(5)
Service expenses	-	-	2	3	(1)
<u>Transactions with related companies</u>					
Service income	966	930	594	579	(5)
Land and certain structures rental and utilities income	3	3	3	3	(8)
Other income	1	1	-	-	(5)
Land and utilities expenses	1	1	-	-	(13)
Airport concession fee expenses - Into-plane service	67	64	67	64	(9)
Airport concession fee expenses - Hydrant network system	3	3	-	-	(10)
Space and land rental expenses	8	7	6	6	(11)
Pipeline system rental expenses	8	8	8	8	(12)

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2018 and 31 December 2017 between the Company, its subsidiaries and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties (Note 5)</u>				
Related companies (shareholder or common shareholder or representative director)	371,999	352,490	290,957	286,829
<u>Other receivables - related parties (Note 5)</u>				
Subsidiary companies	-	-	4,115	4,808
Related companies (shareholder or common shareholder or representative director)	417	470	1	163
Total other receivables - related parties	<u>417</u>	<u>470</u>	<u>4,116</u>	<u>4,971</u>
<u>Dividend receivable from subsidiary (Note 6)</u>				
Subsidiary company	-	-	172,292	153,642
<u>Long-term loan to and receivable from related party</u>				
Subsidiary company				
Fuel Pipeline Transportation Limited	-	-	274,382	292,277
Less: Current portion	-	-	(71,580)	(71,580)
Long-term loan to and receivable from related party - net of current portion	<u>-</u>	<u>-</u>	<u>202,802</u>	<u>220,697</u>
<u>Trade accounts payable - related parties (Note 12)</u>				
Related companies (shareholder or common shareholder or representative director)	37,821	47,567	33,768	33,413
<u>Other payables - related parties (Note 12)</u>				
Subsidiary company	-	-	63,808	62,213
Related company (shareholder or common shareholder or representative director)	283	70	283	14
Total other payables - related party	<u>283</u>	<u>70</u>	<u>64,091</u>	<u>62,227</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Liabilities under finance lease agreement - related parties</u>				
Subsidiary company				
Fuel Pipeline Transportation Limited				
Current portion of liabilities under finance lease agreement	-	-	51,382	54,115
Liabilities under finance lease agreement, net current portion	-	-	43,770	46,117
<u>Long-term liabilities under rehabilitation plan (Note 14)</u>				
Related company (shareholder)	14,534	15,580	-	-
<u>Provision for land lease related to concession agreement (Note 15)</u>				
Related company (shareholder)	44,250	45,122	44,512	45,122
<u>Other non-current liabilities</u>				
Related company (shareholder or representative director)	13,744	13,744	-	-

The movement of long-term loan to and receivable from related party during the three-month period ended 31 March 2018 was as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at	Increase during	Decrease during	Balance as at
Long-term loan to and receivable from	1 January 2018	the period	the period	31 March 2018
Fuel Pipeline Transportation Limited				
Loans from debt restructuring	51,834	-	(3,173)	48,661
Loans from purchase of debts	240,443	-	(14,722)	225,721
Total	292,277	-	(17,895)	274,382
Less: current portion	(71,580)	-	-	(71,580)
Net of current portion	220,697	-	(17,895)	202,802

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

(Unaudited but reviewed)

Directors and management's remuneration

During the three-month period ended 31 March 2018 and 2017, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

For the three-month period ended 31 March

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
Short-term employee benefits	30,707	31,808	12,584	14,946
Post-employment benefits	4,190	3,020	2,597	1,875
Other long-term employee benefits	20	17	3	1
Total directors and managements remuneration	<u>34,917</u>	<u>34,845</u>	<u>15,184</u>	<u>16,822</u>

3. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Audited)		(Audited)
Cash on hand	231	605	148	521
Deposit with banks and financial institutions	344,503	853,546	38,166	182,572
Bond and promissory note	1,388,842	599,537	888,901	599,537
Total cash and cash equivalents	<u>1,733,576</u>	<u>1,453,688</u>	<u>927,215</u>	<u>782,630</u>

4. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Audited)		(Audited)
Fixed deposit	208,390	208,390	208,390	208,390
Restricted bank deposits	100,994	93,123	-	-
Restricted government bond	349,971	299,927	-	-
Others	10,636	9,474	1,000	1,000
Total current investments	<u>669,991</u>	<u>610,914</u>	<u>209,390</u>	<u>209,390</u>

(Unaudited but reviewed)

The subsidiary has pledged government bond and bank deposits totaling approximately Baht 451 million to a bank as collateral, in accordance with an agreement to pledge rights in bank deposits and government bond as business collateral under the terms of a loan agreement with the bank, as mentioned in Note 13 of consolidated financial statements.

As of 31 March 2018, the Company has fixed deposit of Baht 90 million (31 December 2017: 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 privileges 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.

5. Trade and other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade receivables</u>				
Related parties (Note 2)	371,999	352,490	290,957	286,829
Unrelated parties	1	30	-	-
Total trade receivables	372,000	352,520	290,957	286,829
<u>Other receivables</u>				
Related parties (Note 2)	417	470	4,116	4,971
Unrelated parties	100	69	-	-
Total other receivables	517	539	4,116	4,971
Trade and other receivables	372,517	353,059	295,073	291,800

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

(Unaudited but reviewed)

6. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the three-month periods ended 31 March	
	31 March	31 December	31 March	31 December	31 March	31 December	2018	2017
	2018	2017	2018	2017	2018	2017		
		(Audited)	(%)	(%)		(Audited)		
Fuel Pipeline Transportation Ltd.	3,660,664	3,660,664	75.00	75.00	3,155,502	3,155,502	-	-
Intoplane Services Co., Ltd.	120	120	83.33	83.33	100	100	-	-
Thai Aviation Refuelling Co., Ltd.	530,000	530,000	90.00	90.00	1,235,000	1,235,000	172,292	153,642
BAFS Innovation Development Co., Ltd.	2,500	2,500	100.00	100.00	2,500	2,500	-	-
Total investments in subsidiaries					4,393,102	4,393,102	172,292	153,642

7. Investment property

Investment property comprise land that is located in Chiangmai province.

8. Property, leasehold improvement and equipment

Movements of the property, leasehold improvement and equipment account during the three-month period ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	7,204,190	2,418,460
Acquisitions during period - at cost	1,021,297	16,180
Capitalised interest	7,125	-
Disposal during period - net book value at disposal date	(1,687)	(1,637)
Depreciation for the period	(111,556)	(67,960)
Net book value as at 31 March 2018	8,119,369	2,365,043

(Unaudited but reviewed)

As at 31 March 2018, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 24 million (31 December 2017: Baht 43 million) (Separate financial statements: Baht 108 million (31 December 2017: Baht 114 million)).

The Fuel Pipeline Transportation Limited (subsidiary), has mortgaged the multi-product pipeline system and main depot facilities to secure long-term liabilities under the rehabilitation plan and mortgaged land, including present and future structures thereon to secure long-term loan.

9. Project costs under concession agreements

Movements of the project costs under concession agreements account during the three-month period ended 31 March 2018 are summarised below.

(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
Net book value as at								
1 January 2018	99,193	1,066,264	479,741	30,577	1,675,775	99,193	30,577	129,770
Amortisation for the period	(2,751)	(14,032)	(6,312)	(874)	(23,969)	(2,751)	(874)	(3,625)
Net book value as at								
31 March 2018	96,442	1,052,232	473,429	29,703	1,651,806	96,442	29,703	126,145

Under the Into-plane Service Agreement and the Permission for Performance Agreement of the fuel hydrant network at Suvarnabhumi Airport, made with Airports 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 Airports of Thailand Public Company Limited within 60 days before it begins operating the service. As of 31 March 2018, transfer of ownership under the 2 agreements is in progress.

(Unaudited but reviewed)

10. Right to use assets under leased agreements

(Unit: Thousand Baht)

	Consolidated financial statements		
	Subsidiary's right to		Total
	Right to use leased land of subsidiary	use building under land lease agreement	
Net book value as at 1 January 2018	21,519	13,552	35,071
Amortisation for the period	(606)	(301)	(907)
Net book value as at 31 March 2018	20,913	13,251	34,164

The Company has invested in a subsidiary, and the excess of the cost of the investment over the shareholders' equity 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.

Under a land rental agreement between the Airports 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 (30 September 2008). As of 31 March 2018, the subsidiary is in the process of transferring ownership in accordance with the agreement.

11. Intangible assets

Movement of the intangible assets account during the three-month period ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Computer software		
Net book value as at 1 January 2018	37,818	34,626
Acquisitions during period - at cost	118	118
Amortisation for the period	(2,308)	(1,914)
Net book value as at 31 March 2018	35,628	32,830

(Unaudited but reviewed)

12. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Trade payables - related parties (Note 2)	37,821	47,567	33,768	33,413
Trade payables - unrelated parties	7,948	15,871	4,580	7,766
Other payables - related parties (Note 2)	283	70	64,091	62,227
Other payables - unrelated parties	262,670	331,859	19,955	72,359
Accrued expenses	29,615	34,930	16,733	21,290
Total trade and other payables	<u>338,337</u>	<u>430,297</u>	<u>139,127</u>	<u>197,055</u>

13. Long-term loans

Movements in the long-term loans account during the three-month period ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2018	3,143,410	2,631,244
Add: Additional loan during the period	986,005	-
Less: Repayment of loans during the period	<u>(132,972)</u>	<u>(95,372)</u>
Balance as at 31 March 2018	3,996,443	2,535,872
Less: Current portion	<u>(442,772)</u>	<u>(285,872)</u>
Long-term loans - net of current portion	<u>3,573,671</u>	<u>2,250,000</u>

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

As at 31 March 2018, the long-term credit facilities of subsidiaries which have not yet been drawn down amounted to Baht 5,446 million (31 December 2017: Baht 6,432 million).

The loans of the subsidiary are secured by the mortgage of land, including present and future structures thereon, and the pledge of government bond, savings and fixed deposits of the subsidiary.

(Unaudited but reviewed)

14. Long-term liabilities under rehabilitation plan

Movements in the long-term liabilities under rehabilitation plan of Fuel Pipeline Transportation Limited account (subsidiary) during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2018	15,580
Less: Repayment of loan during the period	(1,046)
Balance as at 31 March 2018	14,534
Less: Current portion	(4,069)
Long-term liabilities under rehabilitation plan - net of current portion	<u>10,465</u>

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 as at 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.

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.

15. Provision for land lease related to concession agreement

Movements of provision for land lease related to concession agreement account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 January 2018	45,122
Payment during the period	(1,479)
Interest cost	607
Balance as at 31 March 2018	44,250
Less: Current portion	(3,783)
Provision for land lease related to concession agreement, net of current portion	<u>40,467</u>

(Unaudited but reviewed)

16. Provision for long-term employee benefits

Movements of provision for long-term employee benefit account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	939,313	795,550
Increase during the period	21,483	16,962
Balance as at 31 March 2018	960,796	812,512

17. Income tax

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

Income tax expense for the three-month period ended 31 March 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month period ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Current income tax charge	92,308	86,002	52,833	48,797
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(4,461)</u>	<u>(2,786)</u>	<u>(3,333)</u>	<u>(2,025)</u>
Income tax expense reported in the statement of comprehensive income	<u>87,847</u>	<u>83,216</u>	<u>49,500</u>	<u>46,772</u>

18. Segment information

The Company and its subsidiaries are principally engaged in the aviation fuel pipeline transportation services and refueling 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.

19. Commitments and contingent liabilities**19.1 Capital commitments**

As at 31 March 2018, the Company and its subsidiaries had capital commitments of approximately Baht 5,279 million (31 December 2017: Baht 6,257 million), relating to the construction of assets and acquisition of equipment (Separate financial statements: Baht 127 million (31 December 2017: Baht 138 million)).

19.2 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 contracts 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 March 2018			
	In over 1 and			Total
	In up to 1 year	up to 5 years	Over 5 year	
Bangkok Aviation Fuel Services Public Co., Ltd.	64	89	-	153
Thai Aviation Refuelling Co., Ltd.	11	4	-	15
Fuel Pipeline Transportation Ltd.	63	205	248	516
Total	138	298	248	684

(Unit: Million Baht)

	As at 31 December 2017			
	In over 1 and			Total
	In up to 1 year	up to 5 years	Over 5 year	
Bangkok Aviation Fuel Services Public Co., Ltd.	25	12	-	37
Thai Aviation Refuelling Co., Ltd.	13	3	-	16
Fuel Pipeline Transportation Ltd.	60	210	255	525
Total	98	225	255	578

(Unaudited but reviewed)

- 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 Company Limited 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 refueling, 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.

19.3 Guarantees

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Guarantees tax refund	74	94	-	-
Guarantees electricity use	10	10	3	3
Guarantees land lease agreement	56	56	6	6
Guarantees performance	106	103	72	70

19.4 Legal cases

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 storage station. The 27 plaintiffs claimed damages amounting Baht 300,000 - 400,000 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 storage station. 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 including interest (calculated up to 31 March 2018) totaling Baht 169 million. The case is currently under the consideration of the Administrative Court.

However, the management is of the opinion that even if the Court eventually holds the Company liable for the damages, it would be liable only for a portion of the total damages, together with other defendants, i.e. the state enterprise and 2 other state agencies (defendants Nos. 1-3). Therefore, the Company's management believes that no significant losses will be incurred to the Company and thus the Company did not record a provision for the contingent liabilities relating to this case in the accounts.

20. Events after the reporting period

20.1 On 26 April 2018, the 2018 Annual General Meeting of the Company's shareholders passed a resolution approving that the following allotment of earnings and payment of dividend for the year 2017 to the Company's shareholders as detailed below.

20.1.1) Allotment of Baht 86 million of earnings to a reserve to fund expansion of investment.

20.1.2) Allotment of Baht 86 million of earnings to a general reserve.

20.1.3) Declaration of a dividend payment of Baht 1.25 per share, or a total of Baht 797 million, from the 2017 operating results. In this respect, the Company already paid an interim dividend of Baht 0.22 per share, or a total of Baht 140 million, in September 2017 and the remaining dividend of Baht 1.03 per share, or a total of Baht 657 million is to be paid on 21 May 2018.

20.2 On 12 April 2018, the 2018 Annual General Meeting of the shareholders of Fuel Pipeline Transportation Limited (subsidiary) approved the payment of dividend from the 2017 profit, at a rate of 7.5 percent per annum for the period from 1 January 2017 to 31 December 2017, or total of Baht 299, to the holders of the cumulative preferred stock. The dividend will be paid in cash on 20 April 2018.

(Unaudited but reviewed)

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 7 May 2018.