

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS
NOK AIRLINES PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Nok Airlines Public Company Limited and its subsidiaries and the separate statement of financial position of Nok Airlines Public Company Limited as at June 30, 2015, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2015, and the consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our 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 us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

**BANGKOK
August 13, 2015**

Niti Jungnitnirundr
Certified Public Accountant (Thailand)
Registration No. 3809
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2015

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		June 30, 2015 “Unaudited”	December 31, 2014	June 30, 2015 “Unaudited”	December 31, 2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4.1	3,196,519,157	2,926,607,844	2,188,204,664	1,752,503,995
Temporary investments	5	100,000,000	300,000,000	100,000,000	300,000,000
Trade and other receivables	6 and 25	578,698,764	430,232,058	491,449,890	420,433,225
Inventories	7	19,798,088	17,460,552	19,798,088	17,460,552
Refundable value-added tax		325,064,729	234,046,425	74,212,571	120,116,881
Short-term aircraft deposits and prepayments	8	881,349,488	1,242,667,404	881,349,488	1,229,378,220
Other current assets		52,254,950	33,273,620	43,275,706	31,594,901
Total Current Assets		<u>5,153,685,176</u>	<u>5,184,287,903</u>	<u>3,798,290,407</u>	<u>3,871,487,774</u>
NON-CURRENT ASSETS					
Deposits at bank pledged as collateral	21.4	41,555,000	-	-	-
Investments in subsidiaries	9	-	-	4,949,000	4,949,000
Other long-term investments	10	47,311,500	47,311,500	47,311,500	47,311,500
Long-term loans to a related party	11	-	-	970,000,000	725,000,000
Leasehold improvements and equipment	12	253,636,267	253,833,294	242,157,975	243,464,321
Intangible assets	13	43,900,460	46,161,006	38,062,332	42,715,468
Deferred tax assets	14	19,526,620	19,375,606	19,526,620	19,375,606
Long-term aircraft deposits and prepayments	8	790,982,091	1,012,463,881	738,455,309	977,386,998
Other non-current assets		7,955,941	5,568,969	7,870,791	5,388,524
Total Non-Current Assets		<u>1,204,867,879</u>	<u>1,384,714,256</u>	<u>2,068,333,527</u>	<u>2,065,591,417</u>
TOTAL ASSETS		<u><u>6,358,553,055</u></u>	<u><u>6,569,002,159</u></u>	<u><u>5,866,623,934</u></u>	<u><u>5,937,079,191</u></u>

See the condensed notes to the financial statements

.....
 (Mr. Patee Sarasin)
 Director and Chief Executive Officer

.....
 (Mr. Chokchai Panyayong)
 Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2015

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		June 30, 2015 “Unaudited”	December 31, 2014	June 30, 2015 “Unaudited”	December 31, 2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other payables	15 and 25	1,876,331,661	1,833,762,816	1,536,137,635	1,727,785,087
Deferred income from customer loyalty programmes		57,835,069	52,312,744	57,835,069	52,312,744
Short-term provisions for aircraft maintenance	16	93,748,055	78,280,934	93,748,055	78,280,934
Withholding tax payable		19,807,137	19,643,515	16,831,826	18,644,150
Other current liabilities		4,026,085	4,639,812	3,431,855	2,545,462
Total Current Liabilities		<u>2,051,748,007</u>	<u>1,988,639,821</u>	<u>1,707,984,440</u>	<u>1,879,568,377</u>
NON-CURRENT LIABILITIES					
Long-term provisions for aircraft maintenance	16	164,969,200	91,651,774	155,960,350	79,888,309
Employee benefit obligations	17	150,283,114	130,155,685	150,283,114	130,155,685
Other non-current liabilities		9,815,651	9,201,003	9,815,651	9,201,003
Total Non-Current Liabilities		<u>325,067,965</u>	<u>231,008,462</u>	<u>316,059,115</u>	<u>219,244,997</u>
TOTAL LIABILITIES		<u>2,376,815,972</u>	<u>2,219,648,283</u>	<u>2,024,043,555</u>	<u>2,098,813,374</u>

.....
(Mr. Patee Sarasin)

Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)

Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2015

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		June 30, 2015 “Unaudited”	December 31, 2014	June 30, 2015 “Unaudited”	December 31, 2014
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
625,000,000 ordinary shares of Baht 1 each		625,000,000	625,000,000	625,000,000	625,000,000
Issued and paid-up share capital					
625,000,000 ordinary shares of Baht 1 each, fully paid		625,000,000	625,000,000	625,000,000	625,000,000
SHARE PREMIUM ACCOUNT					
- ORDINARY SHARES		3,042,485,943	3,042,485,943	3,042,485,943	3,042,485,943
RETAINED EARNINGS					
Appropriated					
Legal reserve		62,500,000	62,500,000	62,500,000	62,500,000
Unappropriated		(101,232,199)	47,076,765	112,594,436	108,279,874
Deficit from change in shareholding in a subsidiary	1.2	(5,940,185)	(5,940,185)	-	-
Total owners of the parent		3,622,813,559	3,771,122,523	3,842,580,379	3,838,265,817
Non-controlling interests		358,923,524	578,231,353	-	-
TOTAL SHAREHOLDERS' EQUITY		3,981,737,083	4,349,353,876	3,842,580,379	3,838,265,817
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		6,358,553,055	6,569,002,159	5,866,623,934	5,937,079,191

See the condensed notes to the financial statements

.....
(Mr. Patee Sarasin)

Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)

Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2015
“UNAUDITED”

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
REVENUES					
Passenger revenues	20.2	2,999,183,333	2,607,220,919	2,883,182,515	2,607,220,919
Service revenues	20.2	258,564,472	191,497,871	246,392,540	191,497,871
Other income					
Interest income		13,142,803	31,748,397	12,738,448	31,748,397
Others		85,443,759	-	81,412,433	-
Total Revenue		<u>3,356,334,367</u>	<u>2,830,467,187</u>	<u>3,223,725,936</u>	<u>2,830,467,187</u>
EXPENSES					
Costs of passenger and services	20.2	3,603,523,332	2,804,124,958	3,111,258,658	2,804,124,958
Selling expenses		49,253,686	75,407,165	48,038,549	75,407,165
Administrative expenses		161,630,257	118,841,955	115,833,776	118,646,353
Finance costs		-	1,270,189	-	1,270,189
Total Expenses		<u>3,814,407,275</u>	<u>2,999,644,267</u>	<u>3,275,130,983</u>	<u>2,999,448,665</u>
LOSS BEFORE INCOME TAX		(458,072,908)	(169,177,080)	(51,405,047)	(168,981,478)
INCOME TAX REVENUE	14	(77,050)	(9,453,143)	(77,050)	(9,453,143)
LOSS FOR THE PERIODS		<u>(457,995,858)</u>	<u>(159,723,937)</u>	<u>(51,327,997)</u>	<u>(159,528,335)</u>
TOTAL COMPREHENSIVE LOSS					
FOR THE PERIODS		<u>(457,995,858)</u>	<u>(159,723,937)</u>	<u>(51,327,997)</u>	<u>(159,528,335)</u>
LOSS ATTRIBUTABLE TO					
Owners of the parent		(150,095,722)	(159,624,180)	(51,327,997)	(159,528,335)
Non-controlling interests		(307,900,136)	(99,757)	-	-
		<u>(457,995,858)</u>	<u>(159,723,937)</u>	<u>(51,327,997)</u>	<u>(159,528,335)</u>
BASIC LOSS PER SHARE (BAHT)		(0.24)	(0.26)	(0.08)	(0.26)
NUMBER OF WEIGHTED AVERAGE					
ORDINARY SHARES (SHARES)		625,000,000	625,000,000	625,000,000	625,000,000

See the condensed notes to the financial statements

.....
(Mr. Patee Sarasin)
Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015
“UNAUDITED”

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
REVENUES					
Passenger revenues	20.3	6,351,262,634	5,489,156,663	6,085,709,456	5,489,156,663
Service revenues	20.3	539,998,844	405,648,201	528,975,906	405,648,201
Other income					
Interest income		25,149,690	68,662,512	28,315,815	68,662,512
Others		87,153,024	-	82,795,917	-
Total Revenue		<u>7,003,564,192</u>	<u>5,963,467,376</u>	<u>6,725,797,094</u>	<u>5,963,467,376</u>
EXPENSES					
Costs of passenger and services	20.3	7,176,584,528	5,714,003,907	6,380,118,734	5,714,003,907
Selling expenses		100,931,651	141,100,645	89,959,545	141,100,645
Administrative expenses		348,815,820	226,043,908	251,555,267	225,848,306
Finance costs		-	1,270,189	-	1,270,189
Total Expenses		<u>7,626,331,999</u>	<u>6,082,418,649</u>	<u>6,721,633,546</u>	<u>6,082,223,047</u>
PROFIT (LOSS) BEFORE INCOME TAX					
EXPENSE		(622,767,807)	(118,951,273)	4,163,548	(118,755,671)
INCOME TAX REVENUE	14	<u>(151,014)</u>	<u>(162,736)</u>	<u>(151,014)</u>	<u>(162,736)</u>
PROFIT (LOSS) FOR THE PERIODS		<u>(622,616,793)</u>	<u>(118,788,537)</u>	<u>4,314,562</u>	<u>(118,592,935)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)					
FOR THE PERIODS		<u>(622,616,793)</u>	<u>(118,788,537)</u>	<u>4,314,562</u>	<u>(118,592,935)</u>
PROFIT (LOSS) ATTRIBUTABLE TO					
Owners of the parent		(148,308,964)	(118,688,780)	4,314,562	(118,592,935)
Non-controlling interests		<u>(474,307,829)</u>	<u>(99,757)</u>	<u>-</u>	<u>-</u>
		<u>(622,616,793)</u>	<u>(118,788,537)</u>	<u>4,314,562</u>	<u>(118,592,935)</u>
BASIC EARNINGS (LOSS) PER SHARE (BAHT)					
		(0.24)	(0.19)	0.01	(0.19)
NUMBER OF WEIGHTED AVERAGE					
ORDINARY SHARES (SHARES)		625,000,000	625,000,000	625,000,000	625,000,000

See the condensed notes to the financial statements

.....
(Mr. Patee Sarasin)
Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015
 "UNAUDITED"

UNIT : BAHT

	Notes	Consolidated financial statements					Non-controlling interests	Total shareholders' equity
		Issued and paid-up share capital	Share premium account Ordinary shares	Retained earnings Appropriated Legal reserve		Total attributions to owners of the parent		
Balances as of January 1, 2014		625,000,000	3,042,485,943	62,500,000	813,431,243	4,543,417,186	-	4,543,417,186
Changes in shareholders' equity for the six-month period ended June 30, 2014								
Increase in share capital of a subsidiary	1.2	-	-	-	-	-	5,151,000	5,151,000
Total comprehensive loss for the period		-	-	-	(118,688,780)	(118,688,780)	(99,757)	(118,788,537)
Dividend paid	18	-	-	-	(306,250,000)	(306,250,000)	-	(306,250,000)
Balances as of June 30, 2014		<u>625,000,000</u>	<u>3,042,485,943</u>	<u>62,500,000</u>	<u>388,492,463</u>	<u>4,118,478,406</u>	<u>5,051,243</u>	<u>4,123,529,649</u>

.....
 (Mr. Patee Sarasin)
 Director and Chief Executive Officer

.....
 (Mr. Chokchai Panyayong)
 Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015
"UNAUDITED"

UNIT : BAHT

	Note	Consolidated financial statements						Non-controlling interests	Total shareholders' equity
		Issued and paid-up share capital	Share premium account Ordinary shares	Total attributions to owners of the parent		Deficit from change in shareholding in a subsidiary	Total attributions to owners of the parent		
			Retained earnings	Appropriated	Unappropriated				
			Legal reserve						
Balances as of January 1, 2015		625,000,000	3,042,485,943	62,500,000	47,076,765	(5,940,185)	3,771,122,523	578,231,353	4,349,353,876
Changes in shareholders' equity for the six-month period ended June 30, 2015									
Increase in share capital of a subsidiary	1.2	-	-	-	-	-	-	255,000,000	255,000,000
Total comprehensive loss for the period		-	-	-	(148,308,964)	-	(148,308,964)	(474,307,829)	(622,616,793)
Balances as of June 30, 2015		<u>625,000,000</u>	<u>3,042,485,943</u>	<u>62,500,000</u>	<u>(101,232,199)</u>	<u>(5,940,185)</u>	<u>3,622,813,559</u>	<u>358,923,524</u>	<u>3,981,737,083</u>

See the condensed notes to the financial statements

.....
(Mr. Patee Sarasin)
Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015
"UNAUDITED"

UNIT : BAHT

	Note	Separate financial statements			Total shareholders' equity
		Issued and paid-up share capital	Share premium account ordinary shares	Retained earnings Appropriated legal reserve Unappropriated	
Balances as of January 1, 2014		625,000,000	3,042,485,943	62,500,000 813,431,243	4,543,417,186
Changes in shareholders' equity for the six-month period ended June 30, 2014					
Total comprehensive loss for the period		-	-	- (118,592,935)	(118,592,935)
Dividend paid	18	-	-	(306,250,000)	(306,250,000)
Balances as of June 30, 2014		<u>625,000,000</u>	<u>3,042,485,943</u>	<u>62,500,000</u> <u>388,588,308</u>	<u>4,118,574,251</u>

.....
(Mr. Patee Sarasin)
Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015
"UNAUDITED"

UNIT : BAHT

	Note	Separate financial statements			Total	
		Issued and paid-up share capital	Share premium account ordinary shares	Retained earnings Appropriated legal reserve		Unappropriated
Balances as of January 1, 2015		625,000,000	3,042,485,943	62,500,000	108,279,874	3,838,265,817
Changes in shareholders' equity for the six-month period ended June 30, 2015						
Total comprehensive income for the period		-	-	-	4,314,562	4,314,562
Balances as of June 30, 2015		625,000,000	3,042,485,943	62,500,000	112,594,436	3,842,580,379

See the condensed notes to the financial statements

.....
(Mr. Patee Sarasin)
Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015
“UNAUDITED”

UNIT : BAHT

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (loss) before income tax		(622,767,807)	(118,951,273)	4,163,548	(118,755,671)
Adjustments for:					
Depreciation		28,228,871	17,413,492	26,435,973	17,413,492
Amortisation		10,340,085	8,760,284	9,591,826	8,760,284
Loss on disposal of equipment		352,966	813,146	352,966	813,146
Unrealized (gain) loss on exchange rate		(61,802,266)	8,067,071	(57,187,728)	8,067,071
Reversal of allowance for doubtful accounts		(975,924)	(6,447,983)	(975,924)	(6,447,983)
Provision for aircraft maintenance expenses recognized as expenses for the period		139,176,862	83,308,782	141,931,476	83,308,782
Deferred income from customer loyalty programmes recognized during the period		5,522,325	10,467,511	5,522,325	10,467,511
Employee benefit expenses		26,764,030	20,396,679	26,764,030	20,396,679
Interest income		(25,149,690)	(68,662,512)	(28,315,815)	(68,662,512)
Interest expense		-	1,270,189	-	1,270,189
Operating profit (loss) before changes in operating assets and liabilities		(500,310,548)	(43,564,614)	128,282,677	(43,369,012)
Operating assets (increase) decrease					
Trade and other receivables		(148,826,825)	(49,217,197)	(63,594,042)	(49,274,022)
Inventories		(2,337,536)	(2,653,646)	(2,337,536)	(2,653,646)
Refundable value-added tax		(91,018,304)	-	45,904,310	-
Short-term aircraft deposits and prepayments		414,173,164	(263,366,951)	377,424,886	(263,366,951)
Other current assets		(13,704,755)	8,989,787	(9,109,990)	8,989,787
Deposits at bank pledged as collateral		(41,555,000)	-	-	-

.....
(Mr. Patee Sarasin)
Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015
“UNAUDITED”

UNIT : BAHT

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES					
(CONTINUED)					
Operating assets (increase) decrease (continued)					
Long-term aircraft deposits and prepayments		222,652,818	(1,082,124,572)	263,561,811	(1,082,124,572)
Other non-current assets		(2,386,972)	9,157,521	(2,482,267)	9,157,521
Operating liabilities increase (decrease)					
Trade and other payables		54,991,529	(162,561,293)	(178,957,613)	(162,700,070)
Aircraft maintenance paid		(56,262,504)	(70,088,912)	(56,262,504)	(70,088,912)
Withholding tax payable		163,622	(1,605,410)	(1,812,324)	(1,605,410)
Other current liabilities		(613,726)	(2,267,104)	886,393	(2,267,204)
Employee benefit paid		(6,636,601)	(5,157,326)	(6,636,601)	(5,157,326)
Other non-current liabilities		614,648	-	614,648	-
Cash received (paid) from operations		(171,056,990)	(1,664,459,717)	495,481,848	(1,664,459,817)
Income tax paid		(5,276,577)	(8,735,694)	(2,570,816)	(8,735,694)
Net cash provided by (used in) operating activities		(176,333,567)	(1,673,195,411)	492,911,032	(1,673,195,511)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from temporary investments		200,000,000	1,225,000,000	200,000,000	1,225,000,000
Cash paid for investment in subsidiaries		-	-	-	(4,949,000)
Cash paid for long-term investment		-	(100)	-	-
Cash paid for long-term loans to a related party		-	-	(245,000,000)	-

.....
(Mr. Patee Sarasin)
Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2015
“UNAUDITED”

UNIT : BAHT

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES					
(CONTINUED)					
Cash paid for acquisition of equipment and intangible assets		(50,862,982)	(70,009,385)	(44,815,436)	(70,009,385)
Proceeds from sales of equipment		-	84,200	-	84,200
Cash received from interest income		28,104,890	78,053,892	23,370,349	78,053,892
Cash paid for interest expense		-	(1,069,805)	-	(1,069,805)
Net cash provided by (used in) investing activities		177,241,908	1,232,058,802	(66,445,087)	1,227,109,902
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		-	(306,250,000)	-	(306,250,000)
Cash received from short-term borrowings from financial institution		-	500,000,000	-	500,000,000
Cash received from share subscription of the subsidiaries from non-controlling interests		255,000,000	5,151,000	-	-
Net cash provided by financing activities		255,000,000	198,901,000	-	193,750,000
EFFECT FROM FOREIGN EXCHANGE RATE IN CASH AND CASH EQUIVALENTS					
		14,002,972	(1,049,304)	9,234,724	(1,049,304)
Net increase (decrease) in cash and cash equivalents		269,911,313	(243,284,913)	435,700,669	(253,384,913)
Cash and cash equivalents as at January 1,		2,926,607,844	565,433,436	1,752,503,995	565,433,436
Cash and cash equivalents as at June 30,	4	3,196,519,157	322,148,523	2,188,204,664	312,048,523

See the condensed notes to the financial statements

.....
(Mr. Patee Sarasin)
Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2015
“UNAUDITED”

1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY AND SUBSIDIARIES

1.1 General information and operations of the Company

Nok Airlines Public Company Limited (the “Company”) was incorporated as a limited company under Thai laws on February 27, 2004. The registered office is located at 3 Rajanakarn Building, 17th Fl., South Sathorn Road, Yannawa, Sathorn, Bangkok, and its principal activity is to provide air transport services for passengers.

On January 18, 2013, the Company registered to convert the Company from a limited company to a public limited company and registered the change of the Company’s name from Nok Airlines Company Limited to Nok Airlines Public Company Limited with the Ministry of Commerce. On June 20, 2013, the Company had been approved by the Stock Exchange of Thailand to be a listed company in the Stock Exchange of Thailand.

As at June 30, 2015 and December 31, 2014, the Company’s major shareholder was Thai Airways International Public Company Limited, which is a company incorporated in Thailand, holding 39.20% of the Company’s issued and paid-up share capital and has no power of control in the Company.

Potential impact from the Thai Department of Civil Aviation (DCA) not passing ICAO’s safety standards

The Company and subsidiaries have prepared for inspection by the Thai Department of Civil Aviation by reviewing and updating the manual of operations. Moreover, the Company and subsidiaries have provided trainings and prepared to the relevant person to work in accordance with the manual of operation strictly. This plan have included with the preparation for the inspections by the aviation authorities of other countries.

In addition, the Company and subsidiaries have reconsidered the plans to expand the international market to align with the situations in the future. Currently, the effects mentioned above no significant impact on the operations of the Company and subsidiaries.

1.2 General information and operations of subsidiaries

On April 4, 2014, Nok Holidays Co., Ltd. was incorporated to engage the tourism business and other relevant businesses with authorized share capital of Baht 100,000. The Company holds 49% of authorized share capital of such company and the Company’s managements hold 51% of authorized share capital. The Company considers that Nok Holidays Co., Ltd. is a subsidiary because the Company has control over the financial and operating policy decisions of such company. The Company records investment in Nok Holidays Co., Ltd. as investment in subsidiaries of Baht 49,000 (see Note 9).

On April 9, 2014, the 2014 Annual General Meeting of Shareholders of the Company had the resolution to approve for establishing a new company to invest in joint venture with Scoot Pte. Ltd., which is a company registered in Singapore, and Pueannammitr Co., Ltd., which is a company registered in Thailand, to operate international low-cost airline business with total investment not exceeding Baht 2,000 million. The portions of investment of the Company, Scoot Pte. Ltd. and Pueannammitr Co., Ltd. are 49%, 49% and 2%, respectively, and approve the Company for providing a loan to such company in the amount not exceeding Baht 970 million.

On June 13, 2014, Nok Mangkang Co., Ltd. was incorporated to invest in joint venture according to the resolution of the 2014 Annual General Meeting of Shareholders of the Company as mentioned above with authorized share capital consisting of 49,000 ordinary shares and 51,000 preference shares at par value of Baht 100 each, totaling of authorized share capital of Baht 10 million. The Company holds 49,000 ordinary shares, the Company's director holds 50,000 preference shares and another person holds 1,000 preference shares, or equivalent to 49%, 50% and 1% of total authorized share capital of such company, respectively. The Company considers that Nok Mangkang Co., Ltd. is a subsidiary because the Company has control over the financial and operating policy decisions of such company. The Company records investment in Nok Mangkang Co., Ltd. as investment in subsidiaries of Baht 4.90 million (see Note 9).

On June 19, 2014, the Company's Board of Directors' Meeting had the resolution to acknowledge the incorporation of Nok Mangkang Co., Ltd. as a subsidiary and approve Nok Mangkang Co., Ltd. for investing in NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.), a company registered in Thailand, with authorized share capital of Baht 25 million, consisting of 250,000 ordinary shares at par value of Baht 100 each in order to operate as joint venture company and had the resolution to approve for affixing the signature in a loan agreement to Nok Mangkang Co., Ltd. under the credit facility of Baht 970 million according to the resolution of the 2014 Annual General Meeting of Shareholders of the Company.

In addition, on June 19, 2014, the Company entered into the following agreements:

1. Joint Venture Agreement between the Company, Nok Mangkang Co., Ltd., Scoot Pte. Ltd., Pueannammitr Co., Ltd. and NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) which stipulated that investment in NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) is Baht 2,000 million, and all parties will invest at times as stipulated in Share Subscription Agreement.
2. Share Subscription Agreement between the Company, Nok Mangkang Co., Ltd., Scoot Pte. Ltd., Pueannammitr Co., Ltd., NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) and existing shareholders of NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) which stipulated the increase in share capital of NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) at times from Baht 25 million until reaching to Baht 2,000 million according to time, amount and conditions specified in such agreement. Upon reaching the investment of Baht 2,000 million, shareholding portions in NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) of Nok Mangkang Co., Ltd., Scoot Pte. Ltd. and Pueannammitr Co., Ltd. will be 49%, 49% and 2%, respectively.

All parties have to comply with the conditions stipulated in the agreements. In case any party cannot comply with such conditions, other parties who comply with the conditions stipulated in the agreements can terminate the agreements by giving notice to other parties.

On June 20, 2014, Nok Mangkang Co., Ltd., a subsidiary, purchased one ordinary share of NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) at Baht 100 and recorded as long-term investment.

Subsequently, on July 9, 2014, NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) had registered the capital increase from Baht 25 million to Baht 200 million by issuing additional ordinary shares of 1,750,000 shares at par value of Baht 100 each. Nok Mangkang Co., Ltd., a subsidiary, purchased such additional ordinary shares of 874,998 shares in the amount of Baht 87.50 million. As a result, Nok Mangkang Co., Ltd. has shareholding portion at 43.75% of NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.). Nok Mangkang Co., Ltd. considers that NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) is a subsidiary because Nok Mangkang Co., Ltd. has control over the financial and operating policy decisions of NokScoot Airlines Co., Ltd.

Consideration transferred and the assets acquired and liabilities assumed at the acquisition date in the preparation of the consolidation financial statements of the Company and its subsidiaries are summarized as follows:

	UNIT : BAHT
Acquired assets and assumed liabilities	
Cash and cash equivalents	196,495,118
Aircraft deposits	607,985
Other current assets	47,728
Equipment - net	4,477
Other non-current assets	2,000
Accrued expenses	(3,806,831)
Total	<u>193,350,477</u>
<u>Less</u> Total consideration transferred to in cash	87,499,900
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	<u>108,759,740</u>
Surplus from investment exceeding interests in a subsidiary	<u><u>2,909,163</u></u>

Managements consider that this surplus from investment exceeding interests in a subsidiary in the consolidated financial statements will not be utilized in the future; therefore, it was recorded as expense in the statement of profit or loss and other comprehensive income for the year ended December 31, 2014, in the whole amount.

On August 20, 2014, Pete Air Co., Ltd. registered the name change from Pete Air Co., Ltd. to NokScoot Airlines Co., Ltd. with the Ministry of Commerce.

On October 20, 2014, NokScoot Airlines Co., Ltd. registered the capital increase from Baht 200 million to Baht 500 million by issuing additional ordinary shares of 3,000,000 shares at par value of Baht 100 each. Nok Mangkang Co., Ltd., the Company's subsidiary, purchased such additional ordinary shares of 1,500,000 shares in the amount of Baht 150 million. As a result, Nok Mangkang Co., Ltd. has shareholding portion at 47.5% of NokScoot Airlines Co., Ltd. As a result of the increase in the portion of the investment, the Company has deficit from the change in ownership interest in a subsidiary of Baht 2.79 million which was presented as part of shareholders' equity.

On December 22, 2014, NokScoot Airlines Co., Ltd. registered the capital increase from Baht 500 million to Baht 1,500 million by issuing additional ordinary shares of 10,000,000 shares at par value of Baht 100 each. Nok Mangkang Co., Ltd., the Company's subsidiary, purchased such additional ordinary shares of 4,975,001 shares in the amount of Baht 497.50 million. As a result, Nok Mangkang Co., Ltd. has shareholding portion at 49.0% of NokScoot Airlines Co., Ltd. As a result of the increase in the portion of the investment, the Company has additional deficit from the change in ownership interest in a subsidiary of Baht 3.15 million which was presented as part of shareholders' equity. As at December 31, 2014, the Company has total deficit from change in shareholding portion in a subsidiary of Baht 5.94 million.

On March 27, 2015, the Annual General Meeting of shareholders of NokScoot Airlines Co., Ltd. has a resolution to increase share capital of Baht 500 million from Baht 1,500 million to Baht 2,000 million, by issuing additional ordinary shares of 5,000,000 shares at a par value of Baht 100 each. Nok Mangkang Co., Ltd., the Company's subsidiary, purchased such additional ordinary shares of 2,450,000 shares and paid for additional ordinary shares of Baht 245 million. As a result, Nok Mangkang Co., Ltd. has shareholding portion at 49.0% of NokScoot Airlines Co., Ltd. Scoot Pte. Ltd. purchased such additional ordinary shares of 2,450,000 shares and paid for additional ordinary shares of Baht 245 million. The Company presents additional share subscription from Scoot Pte. Ltd. as part of non-controlling interest. The remaining shareholders purchased remaining additional ordinary shares of 100,000 shares and paid for additional ordinary shares of Baht 10 million. NokScoot Airlines Co., Ltd. has registered for increase in share capital with the Ministry of Commerce on April 16, 2015.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL INFORMATION

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2014) "Interim Financial Reporting" and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

- 2.2 The consolidated and separate statements of financial position as at December 31, 2014, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2015, are not necessarily an indication non anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month and six-month periods ended June 30, 2015, should be read in conjunction with the audited financial statements for the year ended December 31, 2014.
- 2.5 The interim financial information for the three-month and six-month periods ended June 30, 2015, included accounting records of the Company and subsidiaries. Transactions of subsidiaries are included in the interim financial information from the date that control commences until June 30, 2015. Significant transactions and balances between the Company and subsidiaries have been eliminated.

As at June 30, 2015, and December 31, 2014, the Company has shareholding portion in the subsidiaries as follows:

Subsidiaries	Type of business	Country of registration	Registration date	Shareholdings (%)	
				As at June 30, 2015	As at December 31, 2014
Direct subsidiaries					
Nok Holidays Co., Ltd.	Tourism and other relevant business	Thailand	April 4, 2014	49	49
Nok Mangkang Co., Ltd.	Air transport service for passengers, parcel and parcel post	Thailand	June 13, 2014	49	49
Indirect subsidiary					
NokScoot Airlines Co., Ltd. (formerly Pete Air Co., Ltd.) *	Air transport service for passengers, parcel and parcel post	Thailand	October 30, 2013	24.01	24.01

* A subsidiary of Nok Mangkang Co., Ltd.

- 2.6 The preparation of interim financial information in conformity with Thai Accounting Standard No. 34 (Revised 2014) “Interim Financial Reporting” also requires the Company and subsidiaries’ managements to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on managements’ reasonable consideration of current events, actual results may differ from these estimates.

2.7 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2015 onwards, as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2014)	Presentation of Financial Statements
TAS 2 (Revised 2014)	Inventories
TAS 7 (Revised 2014)	Statement of Cash Flows
TAS 8 (Revised 2014)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2014)	Events after the Reporting Period
TAS 11 (Revised 2014)	Construction Contracts
TAS 12 (Revised 2014)	Income Taxes
TAS 16 (Revised 2014)	Property, Plant and Equipment
TAS 17 (Revised 2014)	Leases
TAS 18 (Revised 2014)	Revenue
TAS 19 (Revised 2014)	Employee Benefits
TAS 20 (Revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2014)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2014)	Borrowing Costs
TAS 24 (Revised 2014)	Related Party Disclosures
TAS 26 (Revised 2014)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2014)	Separate Financial Statements
TAS 28 (Revised 2014)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2014)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2014)	Earnings per Share
TAS 34 (Revised 2014)	Interim Financial Reporting
TAS 36 (Revised 2014)	Impairment of Assets
TAS 37 (Revised 2014)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2014)	Intangible Assets
TAS 40 (Revised 2014)	Investment Property

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2014)	Share - Based Payment
TFRS 3 (Revised 2014)	Business Combinations
TFRS 5 (Revised 2014)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2014)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2014)	Operating Segments
TFRS 10	Consolidated Financial Statements
TFRS 11	Joint Arrangements
TFRS 12	Disclosure of Interests in Other Entities
TFRS 13	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSIC”)

TSIC 10 (Revised 2014)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2014)	Operating Leases - Incentives
TSIC 25 (Revised 2014)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2014)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2014)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2014)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2014)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 1 (Revised 2014)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2014)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2014)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2014)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2014)	Service Concession Arrangements
TFRIC 13 (Revised 2014)	Customer Loyalty Programmes
TFRIC 14	TAS 19 (Revised 2014) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2014)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2014)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2014)	Transfers of Assets from Customers
TFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Above TFRSs have no material impact on these consolidated and separate financial statements.

2.8 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions issued the Notification regarding Thai Financial Reporting Standard No.4 (Revised 2014) “Insurance Contracts”, which will be effective for the accounting period beginning on or after January 1, 2016 onwards. The Company’s and its subsidiaries’ managements assess that such TFRS has no impact on the financial statements of the Company and its subsidiaries in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company and its subsidiaries use the same accounting policies and calculation method in these interim financial statements as those used in the consolidated and separate financial statements for the year ended December 31, 2014.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Cash on hand	20,304,871	25,120,274	20,195,096	25,099,941
Deposits at banks - current accounts	175,230,106	110,715,286	173,996,523	110,685,286
Deposits at banks - savings accounts	1,700,984,180	1,440,772,284	694,013,045	266,718,768
Certificates of deposit (interest at the rates of 1.45% - 3.00% p.a. with maturities less than 3 months)	<u>1,300,000,000</u>	<u>1,350,000,000</u>	<u>1,300,000,000</u>	<u>1,350,000,000</u>
Total	<u>3,196,519,157</u>	<u>2,926,607,844</u>	<u>2,188,204,664</u>	<u>1,752,503,995</u>

4.2 Non-cash items from purchases and increase in equipment and intangible assets for the six-month periods ended June 30, consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Payables for purchases of equipment and intangible assets brought forward	23,024,260	23,117,470	23,019,780	23,117,470
<u>Add</u> Purchases during the periods	36,464,349	99,856,603	30,421,283	99,856,603
<u>Less</u> Cash payments during the periods	<u>(50,862,982)</u>	<u>(70,009,385)</u>	<u>(44,815,436)</u>	<u>(70,009,385)</u>
Payables for purchases of equipment and intangible assets carried forward	<u>8,625,627</u>	<u>52,964,688</u>	<u>8,625,627</u>	<u>52,964,688</u>

5. TEMPORARY INVESTMENTS

Temporary investments consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Certificate of deposits (interest at the rate of 2.09% - 2.30% p.a. with maturities of 4 - 6 months)	<u>100,000,000</u>	<u>300,000,000</u>	<u>100,000,000</u>	<u>300,000,000</u>
Total	<u>100,000,000</u>	<u>300,000,000</u>	<u>100,000,000</u>	<u>300,000,000</u>

6. TRADE AND OTHER RECEIVABLES

6.1 Trade and other receivables

Trade and other receivables consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Trade receivables - related parties (see Note 20.1)	3,872,382	1,409,019	5,240,631	1,409,019
Trade receivables - other parties	100,198,386	94,719,760	84,063,231	94,719,760
Total	104,070,768	96,128,779	89,303,862	96,128,779
<u>Less</u> Allowance for doubtful accounts	(8,659,870)	(9,635,794)	(8,659,870)	(9,635,794)
Total trade receivables	95,410,898	86,492,985	80,643,992	86,492,985
Other receivables				
Other prepaid expenses	373,801,597	247,499,143	288,883,759	227,455,604
Accrued income - related parties (see Note 20.1)	3,403,876	-	5,897,651	2,181,345
Accrued income - other parties	10,705,028	15,921,489	10,705,028	13,740,144
Accrued interest income - related parties (see Note 20.1)	-	-	9,516,693	1,616,027
Advance payments - related parties (see Note 20.1)	-	-	1,029,199	6,467,334
Advance payments - other parties	21,731,051	6,726,201	21,711,051	8,887,546
Advance payments for aircraft maintenance	43,017,036	73,592,240	42,433,239	73,592,240
Advance engine maintenance expenses	30,629,278	-	30,629,278	-
Total	578,698,764	430,232,058	491,449,890	420,433,225

6.2 Trade receivables classified by aging are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Current	59,824,762	75,784,589	61,193,011	75,784,589
Overdue - Less than 1 month	30,247,375	6,004,874	14,112,220	6,004,874
- Over 1 month to 2 months	1,261,335	198,603	1,261,335	198,603
- Over 2 months to 4 months	171,337	212,354	171,337	212,354
- Over 4 months to 1 year	792,610	5,107,578	792,610	5,107,578
- Over 1 year	11,773,349	8,820,781	11,773,349	8,820,781
	104,070,768	96,128,779	89,303,862	96,128,779
<u>Less</u> Allowance for doubtful accounts	(8,659,870)	(9,635,794)	(8,659,870)	(9,635,794)
Total	95,410,898	86,492,985	80,643,992	86,492,985

7. INVENTORIES

Inventories consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Goods for sales	4,885,685	2,853,767	4,885,685	2,853,767
Food and Beverage	26,103	-	26,103	-
Spare parts and other supplies	14,886,300	14,606,785	14,886,300	14,606,785
Total	<u>19,798,088</u>	<u>17,460,552</u>	<u>19,798,088</u>	<u>17,460,552</u>

Costs of inventories recognized as expenses in the consolidated and separate statements of profit or loss and other comprehensive income for the six-month period ended June 30, 2015 is Baht 15.12 million and in the separate statement of profit or loss and other comprehensive income for the six-month period ended June 30, 2014 was Baht 4.11 million.

8. AIRCRAFT DEPOSITS AND PREPAYMENTS

Aircraft deposits and prepayments consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Short-term				
Deposits - aircraft lease and machine	68,437,343	83,776,993	68,437,343	70,487,809
Prepayments - aircraft acquisition	812,912,145	1,158,890,411	812,912,145	1,158,890,411
Total	<u>881,349,488</u>	<u>1,242,667,404</u>	<u>881,349,488</u>	<u>1,229,378,220</u>
Long-term				
Deposits - aircraft lease and machine	184,428,689	35,076,883	131,901,907	-
Prepayments - aircraft acquisition	606,553,402	977,386,998	606,553,402	977,386,998
Total	<u>790,982,091</u>	<u>1,012,463,881</u>	<u>738,455,309</u>	<u>977,386,998</u>

9. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at June 30, 2015 and December 31, 2014, consist of:

Companies	Type of business	Country of registration	Shareholding		Paid-up share capital		Separate financial statements Cost method (Baht)	
			(%)		(Baht)		As at	As at
			As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Direct subsidiaries								
Nok Holidays Co., Ltd.	Tourism guiding and other relevant business	Thailand	49	49	100,000	100,000	49,000	49,000
Nok Mangkang Co., Ltd.	Air transport service for passengers, parcel and parcel post	Thailand	49	49	10,000,000	10,000,000	4,900,000	4,900,000
Indirect subsidiary								
NokScoot Airlines Co., Ltd.*	Air transport service for passengers, parcel and parcel post	Thailand	24.01	24.01	2,000,000,000	1,500,000,000	-	-
Total							<u>4,949,000</u>	<u>4,949,000</u>

* A subsidiary of Nok Mangkang Co., Ltd.

10. OTHER LONG-TERM INVESTMENTS

Other long-term investments consist of:

Companies	Consolidated financial statements				Separate financial statements			
	As at June 30, 2015		As at December 31, 2014		As at June 30, 2015		As at December 31, 2014	
	Shareholding (%)	Cost Method Baht	Shareholding (%)	Cost Method Baht	Shareholding (%)	Cost Method Baht	Shareholding (%)	Cost Method Baht
The Aeronautical Radio of Thailand Limited	1.01	6,661,500	1.01	6,661,500	1.01	6,661,500	1.01	6,661,500
Pan Am International Flight Training Center (Thailand) Co., Ltd.	15.00	<u>40,650,000</u>	15.00	<u>40,650,000</u>	15.00	<u>40,650,000</u>	15.00	<u>40,650,000</u>
Total		<u>47,311,500</u>		<u>47,311,500</u>		<u>47,311,500</u>		<u>47,311,500</u>

10.1 Investment in The Aeronautical Radio of Thailand Limited

In year 2004, the Company applied for a membership of The Aeronautical Radio of Thailand Limited and acquired the Aeronautical Radio of Thailand Limited's shares according to its regulation.

The authorized share capitals of The Aeronautical Radio of Thailand Limited of 6,600,000 ordinary shares, at par value of Baht 100 each, are classified into 2 classes as to the qualification of the shareholders as follows:

1. Ordinary share class A, 6,000,000 shares specifically held by Thai government and persons who get consents from the Government.
2. Ordinary share class B, 600,000 shares specifically held by airlines, which regularly operate their flights to and/or in Thailand according to their announced flight schedules.

As the regulation of The Aeronautical Radio of Thailand Limited does not allow the dividend payment, shareholders will receive discount on air navigation facility charge instead. The proportion of shareholding will be varied, increase or decrease, depending on the allotment by The Aeronautical Radio of Thailand Limited based on the number of flights during the year of the members. The amount paid for the shares is refundable upon the termination of its membership.

10.2 Investment in Pan Am International Flight Training Center (Thailand) Co., Ltd.

On August 7, 2014, the Board of Directors' Meeting No. 8/2014 had a resolution to approve the Company for joint venture with a juristic person in foreign country and a juristic person in Thailand in order to establish the crew training center in the amount of USD 1.25 million which is 15% of the share capital of such joint venture.

11. LONG-TERM LOANS TO A RELATED PARTY

On July 8, 2014, the Company entered into the loan agreement for lending to Nok Mangkang Co., Ltd. in the amount of Baht 970 million, carrying interest rate at the average fixed deposits rate for 1 year of two commercial banks plus 0.50% p.a. with no collateral and due for repayment within 10 years.

As at June 30, 2015 and December 31, 2014, long-term loans to a related party are Baht 970 million and Baht 725 million, respectively (see Note 20.1).

12. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Movements of leasehold improvements and equipment for the six-month period ended June 30, 2015, are as follows:

	Consolidated financial statements	UNIT : BAHT Separate financial statements
Beginning carrying amounts as at January 1, 2015	253,833,294	243,464,321
Purchases of assets (including construction in progress)	28,384,810	25,482,593
Transfer in - cost	23,902,838	23,902,838
Transfer out - cost	(23,902,838)	(23,902,838)
Cost of disposed/written-off assets	(6,230,352)	(6,230,352)
Accumulated depreciation of disposed/written-off assets	5,877,386	5,877,386
Depreciation	<u>(28,228,871)</u>	<u>(26,435,973)</u>
Ending carrying amounts as at June 30, 2015	<u>253,636,267</u>	<u>242,157,975</u>

Costs of equipment which are fully depreciated but still in use presented in the consolidated and separate financial statements as at June 30, 2015 and December 31, 2014 are Baht 164.10 million and Baht 142.24 million, respectively.

13. INTANGIBLE ASSETS

Movements of intangible assets for the six-month period ended June 30, 2015 are as follows:

	Consolidated financial statements	UNIT : BAHT Separate financial statements
Beginning carrying amounts as at January 1, 2015	46,161,006	42,715,468
Purchases of intangible assets	8,079,539	4,938,690
Transfer in - cost	7,690,387	3,259,700
Transfer out - cost	(7,690,387)	(3,259,700)
Amortization	(10,340,085)	(9,591,826)
Ending carrying amounts as at June 30, 2015	<u>43,900,460</u>	<u>38,062,332</u>

Costs of intangible assets which are fully amortized but still in use presented in the consolidated and separate financial statements as at June 30, 2015 and December 31, 2014 are Baht 54.52 million and Baht 51.82 million, respectively.

14. DEFERRED TAX ASSETS AND INCOME TAX EXPENSE

Deferred tax assets consist of:

	Consolidated financial statements		UNIT : BAHT Separate financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Deferred tax assets	<u>19,526,620</u>	<u>19,375,606</u>	<u>19,526,620</u>	<u>19,375,606</u>

The movements of deferred tax assets during the period are as follows:

	Consolidated and separate financial statements			UNIT : BAHT
	Balances As at January 1, 2015	Items recognized in profit or loss	Items recognized in other comprehensive income	Balances As at June 30, 2015
Deferred tax asset				
Allowance for doubtful accounts	360,689	(8,088)	-	352,601
Deferred income from customer loyalty programmes	6,617,843	-	-	6,617,843
Employee benefit obligations	12,397,074	159,102	-	12,556,176
Total	<u>19,375,606</u>	<u>151,014</u>	<u>-</u>	<u>19,526,620</u>

Income tax expenses (revenue) for the three-month periods ended June 30, consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	Financial statements 2015	2014	Financial statements 2015	2014
Current income tax expense	-	-	-	-
Deferred income tax	(77,050)	(9,453,143)	(77,050)	(9,453,143)
Income tax revenue	<u>(77,050)</u>	<u>(9,453,143)</u>	<u>(77,050)</u>	<u>(9,453,143)</u>

Income tax expenses (revenue) for the six-month periods ended June 30, consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	Financial statements 2015	2014	Financial statements 2015	2014
Current income tax expense	-	-	-	-
Deferred income tax	(151,014)	(162,736)	(151,014)	(162,736)
Income tax revenue	<u>(151,014)</u>	<u>(162,736)</u>	<u>(151,014)</u>	<u>(162,736)</u>

Reconciliation between income tax expense and the amount of tax derived from accounting profit multiplied by the applicable tax rate for the six-month periods ended June 30, were as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	Financial statements 2015	2014	Financial statements 2015	2014
Accounting profit (loss) for non-promoted operations	(523,615,094)	100,634,034	103,316,261	100,829,636
Accounting loss for promoted operations	(99,152,713)	(219,585,307)	(99,152,713)	(219,585,307)
Accounting profit (loss) before income tax expense	<u>(622,767,807)</u>	<u>(118,951,273)</u>	<u>4,163,548</u>	<u>(118,755,671)</u>
Income tax calculated based on tax rate at 20%	(104,723,019)	20,126,807	20,663,252	20,165,927
Effect of tax losses not recognized as deferred tax assets	104,723,019	-	-	-
Effect of loss for promoted business used as tax deduction	-	(20,126,807)	(20,663,252)	(20,165,927)
Tax effect of temporary differences	<u>(151,014)</u>	<u>(162,736)</u>	<u>(151,014)</u>	<u>(162,736)</u>
Corporate income tax revenue as presented in the statements of profit or loss and other comprehensive income	<u>(151,014)</u>	<u>(162,736)</u>	<u>(151,014)</u>	<u>(162,736)</u>

15. TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Trade payables - related parties (see Note 20.1)	94,255,616	62,044,150	94,255,616	63,949,950
Trade payables - other parties	458,799,772	479,367,306	374,095,021	420,583,190
Other payables	11,716,463	1,963,781	1,346,932	1,962,861
Unearned passenger revenues	659,579,835	798,966,321	539,111,866	786,596,320
Other unearned revenues	16,632,777	19,490,774	16,632,777	19,490,774
Accrued expenses	635,347,198	471,930,484	510,695,423	435,201,992
Total	<u>1,876,331,661</u>	<u>1,833,762,816</u>	<u>1,536,137,635</u>	<u>1,727,785,087</u>

16. PROVISION FOR AIRCRAFT MAINTENANCE

Provisions for aircraft maintenance consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Provisions for aircraft maintenance at beginning of the period/year	169,932,708	103,098,200	158,169,243	103,098,200
<u>Add</u> Increase during the period/year - recognized as expenses for the period/year	145,047,051	202,683,404	147,801,666	190,919,939
<u>Less</u> Aircraft maintenance cost paid during the period/year	<u>(56,262,504)</u>	<u>(135,848,896)</u>	<u>(56,262,504)</u>	<u>(135,848,896)</u>
Provisions at beginning of the period/year for aircraft maintenance	258,717,255	169,932,708	249,708,405	158,169,243
<u>Less</u> Short-term provisions for aircraft maintenance	<u>(93,748,055)</u>	<u>(78,280,934)</u>	<u>(93,748,055)</u>	<u>(78,280,934)</u>
Long-term provisions for aircraft maintenance	<u>164,969,200</u>	<u>91,651,774</u>	<u>155,960,350</u>	<u>79,888,309</u>

17. EMPLOYEE BENEFIT OBLIGATIONS

Employee benefit obligations consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Retirement benefits	117,066,307	103,436,274	117,066,307	103,436,274
Other long term benefit - Pilot saving fund	33,216,807	26,719,411	33,216,807	26,719,411
Total	<u>150,283,114</u>	<u>130,155,685</u>	<u>150,283,114</u>	<u>130,155,685</u>

17.1 Retirement benefits

Movements in the retirement benefits are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Retirement benefits				
at the beginning of the period/year	103,436,274	97,528,525	103,436,274	97,528,525
Benefits paid	(6,636,601)	(7,678,230)	(6,636,601)	(7,678,230)
Current service costs and interest cost	20,266,634	25,295,121	20,266,634	25,295,121
Actuarial gain	-	(11,709,142)	-	(11,709,142)
Retirement benefits				
at the ending of the period/year	<u>117,066,307</u>	<u>103,436,274</u>	<u>117,066,307</u>	<u>103,436,274</u>

For the year ended December 31, 2014, the Company recognized actuarial gain in the statement of profit or loss and other comprehensive income of Baht 11.71 million. Such actuarial gain mainly resulted from change in discount rate and turnover rate of the principle actuarial assumptions.

Retirement benefits recognized in the statements of profit or loss and other comprehensive income for the three-month periods ended June 30, are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current service costs	9,561,356	5,944,218	9,561,356	5,944,218
Interest cost	702,304	800,346	702,304	800,346
Total	<u>10,263,660</u>	<u>6,744,564</u>	<u>10,263,660</u>	<u>6,744,564</u>

Retirement benefits recognized in the statements of profit or loss and other comprehensive income for the six-month periods ended June 30, are as follows:

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current service costs	18,853,223	11,481,353	18,853,223	11,481,353
Interest cost	1,413,411	1,613,090	1,413,411	1,613,090
Total	<u>20,266,634</u>	<u>13,094,443</u>	<u>20,266,634</u>	<u>13,094,443</u>

Principal actuarial assumptions are as follows:

	Consolidated financial statements		Separate financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
	Percent per annum	Percent per annum	Percent per annum	Percent per annum
Discount rate	2.75	2.75	2.75	2.75
Salary increase rate	3.50 - 8.00	3.50 - 8.00	3.50 - 8.00	3.50 - 8.00
Employee turnover rate	11.50*	11.50*	11.50*	11.50*
Mortality rate	TMO2008**	TMO2008**	TMO2008**	TMO2008**

* Based on the average age of employees

** Reference from TMO 2008 : Thai Mortality Ordinary Tables of 2008

17.2 Other long-term employee benefit - Pilot saving fund

Movements in other long-term employee benefit - Pilot saving fund are as follows:

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
Other long-term benefit				
- Pilot saving fund at the beginning of the period/year	26,719,411	11,619,107	26,719,411	11,619,107
<u>Add</u> Increase during the period/year - recognized as expenses for the period/year	6,497,396	15,198,604	6,497,396	15,198,604
<u>Less</u> Benefits paid	<u>-</u>	<u>(98,300)</u>	<u>-</u>	<u>(98,300)</u>
Other long-term benefit				
- Pilot saving fund at the ending of the period/year	<u>33,216,807</u>	<u>26,719,411</u>	<u>33,216,807</u>	<u>26,719,411</u>

Since January 1, 2013, the Company has provided other benefits to Pilot upon the retirement age or upon resignation or loosen license cause. This accumulated saving fund to pilots is calculated on the basis of actual number of flights per month and years of service of pilots as per the Company's policy.

18. DIVIDEND PAID

On April 9, 2014, the Annual General Shareholders' Meeting of the year 2014 has resolution to pay dividend from the results of the Company's last 6 months operations of year 2013 to the Company's shareholders at Baht 0.49 per share, total amount of Baht 306.25 million. The book closing date of shares is March 17, 2014 and the Company paid such dividend on May 2014.

19. PROVIDENT FUNDS

The Company and subsidiaries have set up a Provident Fund which is contributory by employees and the Company. The fund is registered as the provident fund in accordance with the Provident Fund Act B.E. 2530.

The Company and subsidiaries contributed to the provident fund and recorded as expenses in the statements of profit or loss and other comprehensive income, as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
For the three-month periods ended June 30	7,114,835	5,060,265	7,114,835	5,060,265
For the six-month periods ended June 30	13,999,756	10,378,329	13,999,756	10,378,329

20. RELATED PARTY TRANSACTIONS

The Company has transactions with its related parties which have the same group of shareholders and directors. Those transactions occurred in the normal course of business based on the basis determined by the Company and related persons and related parties.

Significant related persons and related parties as at June 30, 2015 and December 31, 2014, consist of:

Company Name	Type of Business	Relationship
NokScoot Airlines Co., Ltd. *	Air transport services for passengers, parcel and parcel post	Indirect subsidiary
Nok Mangkang Co., Ltd. *	Air transport services for passengers, parcel and parcel post	Subsidiary
Nok Holidays Co., Ltd. *	Tourism and other relevant businesses	Subsidiary
Pan Am International Flight Training Center (Thailand) Co., Ltd. *	Pilot training services	The Company's management is director.
Pueannamitr Co., Ltd. *	Acquiring, hire-purchase and managing assets	The Company's managements are shareholder.
Thai Airways International PLC.	Services transportation and logistics	Common shareholders and director
Thai Smile Airways Co., Ltd.	Services transportation and logistics	Common shareholders and director
Donmuang International Airport Hotel Co., Ltd.	Hotel	Same group of shareholders
Phuket Air Catering Company Limited	Catering services	Same group of shareholders
Thai Flight Training Co., Ltd.	Cockpit training	Same group of shareholders
Dhipaya Insurance PLC.**	General insurance	Common director
Major Cineplex Group PLC.**	Services media and publishing	Common director
Siam Premier International Law Office Limited	Legal advisor	Common director
Mr. Somchainuk Engrakul**	-	Director
Mr. Apichart Chirabandhu	-	Member of Audit Committee Director

* Become related parties during the year ended December 31, 2014

** Become related persons and related parties since January 15, 2015

20.1 Balances with related parties are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,
	2015	2014	2015	2014
Trade receivables - related parties				
(see Note 6.1)				
Thai Airways International PLC.	7,515	136,800	7,515	136,800
Thai Smile Airways Co., Ltd.	1,914,675	1,272,219	1,914,675	1,272,219
Dhipaya Insurance PLC.	1,950,192	-	1,950,192	-
NokScoot Airlines Co., Ltd.	-	-	1,368,249	-
Total	<u>3,872,382</u>	<u>1,409,019</u>	<u>5,240,631</u>	<u>1,409,019</u>
Accrued income - related parties				
(see Note 6.1)				
Thai Airways International PLC.	411	-	411	-
Thai Smile Airways Co., Ltd.	1,638,372	-	1,638,372	-
Dhipaya Insurance PLC.	1,765,093	-	1,765,093	-
NokScoot Airlines Co., Ltd.	-	-	2,493,775	2,181,345
Total	<u>3,403,876</u>	<u>-</u>	<u>5,897,651</u>	<u>2,181,345</u>
Accrued interest income				
- related parties (see Note 6.1)				
Nok Mangkang Co., Ltd.	-	-	9,516,693	1,616,027
	<u>-</u>	<u>-</u>	<u>9,516,693</u>	<u>1,616,027</u>
Advance payments - related parties				
(see Note 6.1)				
NokScoot Airlines Co., Ltd.	-	-	9,464	6,370,477
Nok Mangkang Co., Ltd.	-	-	387,253	96,857
Nok Holidays Co., Ltd.	-	-	632,482	-
Total	<u>-</u>	<u>-</u>	<u>1,029,199</u>	<u>6,467,334</u>
Long-term loans to a related party				
(see Note 11)				
Nok Mangkang Co., Ltd.	-	-	970,000,000	725,000,000
	<u>-</u>	<u>-</u>	<u>970,000,000</u>	<u>725,000,000</u>
Trade payables - related parties				
(see Note 15)				
Thai Airways International PLC.	87,842,085	62,015,311	87,842,085	62,015,311
Donmuang International Airport				
Hotel Co., Ltd.	243,100	27,479	243,100	27,479
Thai Flight Training Co., Ltd.	273,000	1,360	273,000	1,360
Dhipaya Insurance PLC.	5,758,138	-	5,758,138	-
NokScoot Airlines Co., Ltd.	-	-	-	1,905,800
Siam Premier International Law				
Office Limited	139,293	-	139,293	-
Total	<u>94,255,616</u>	<u>62,044,150</u>	<u>94,255,616</u>	<u>63,949,950</u>

20.2 Transactions with related parties for the three-month periods ended June 30, are summarized as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Passenger revenues				
Thai Airways International PLC.	6,743	182,154	6,743	182,154
Thai Smile Airways Co., Ltd.	249,519	-	249,519	-
Total	<u>256,262</u>	<u>182,154</u>	<u>256,262</u>	<u>182,154</u>
Service revenues				
Thai Airways International PLC.	411	352,797	411	352,797
Thai Smile Airways Co., Ltd.	4,977,555	3,060,599	4,977,555	3,060,599
Dhipaya Insurance PLC.	5,522,033	-	5,522,033	-
NokScoot Airlines Co., Ltd.	-	-	6,300,646	-
Total	<u>10,499,999</u>	<u>3,413,396</u>	<u>16,800,645</u>	<u>3,413,396</u>
Others revenues - interest income				
Nok Mangkang Co., Ltd.	-	-	4,330,186	-

Passenger revenues and service revenues are determined based on cost plus margin as stipulated in the agreement. Interest income is determined based on interest rate as stipulated in the agreement.

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Costs of passengers and services				
Thai Airways International PLC.	39,153,561	12,009,267	39,153,561	12,009,267
Donmuang International Airport Hotel Co., Ltd.	471,480	271,925	471,480	271,925
Thai Flight Training Co., Ltd.	848,126	-	848,126	-
Dhipaya Insurance PLC.	37,158,482	-	37,158,482	-
Siam Premier International Law Office Limited	493,950	-	493,950	-
Total	<u>78,125,599</u>	<u>12,281,192</u>	<u>78,125,599</u>	<u>12,281,192</u>

Costs of passenger and services are determined on normal price charged to general clients.

Directors and managements' benefits for the three-month periods ended June 30, are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	9,827,454	9,781,948	9,622,300	9,781,948
Post-employment benefits	752,203	251,900	752,203	251,900
Total	<u>10,579,657</u>	<u>10,033,848</u>	<u>10,374,503</u>	<u>10,033,848</u>

20.3 Transactions with related parties for the six-month periods ended June 30, are summarized as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Passenger revenues				
Thai Airways International PLC.	24,346	460,125	24,346	460,125
Thai Smile Airways Co., Ltd.	370,640	-	370,640	-
Total	<u>394,986</u>	<u>460,125</u>	<u>394,986</u>	<u>460,125</u>
Service revenues				
Thai Airways International PLC.	6,078	3,749,364	6,078	3,749,364
Thai Smile Airways Co., Ltd.	9,937,770	3,060,599	9,937,770	3,060,599
Dhipaya Insurance PLC.	15,095,379	-	15,095,379	-
NokScoot Airlines Co., Ltd.	-	-	9,397,269	-
Total	<u>25,039,227</u>	<u>6,809,963</u>	<u>34,436,496</u>	<u>6,809,963</u>
Others revenues - interest income				
Nok Mangkang Co., Ltd.	-	-	7,900,666	-

Passenger revenues and service revenues are determined based on cost plus margin as stipulated in the agreement. Interest income is determined based on interest rate as stipulated in the agreement.

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Costs of passengers and services				
Thai Airways International PLC.	76,804,135	26,116,060	76,804,135	26,116,060
Donmuang International Airport Hotel Co., Ltd.	1,106,912	1,072,883	1,106,912	1,072,883
Thai Flight Training Co., Ltd.	1,919,177	-	1,919,177	-
Dhipaya Insurance PLC.	77,789,708	-	77,789,708	-
Siam Premier International Law Office Limited	833,950	-	833,950	-
Total	<u>158,453,882</u>	<u>27,188,943</u>	<u>158,453,882</u>	<u>27,188,943</u>

Costs of passenger and services are determined on normal price charged to general clients.

Directors and managements' benefits for the six-month periods ended June 30, are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	18,777,974	18,254,798	18,572,820	18,254,798
Post-employment benefits	1,504,406	503,800	1,504,406	503,800
Total	<u>20,282,380</u>	<u>18,758,598</u>	<u>20,077,226</u>	<u>18,758,598</u>

21. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

21.1 Acquisition of aircrafts

As at June 30, 2015 and December 31, 2014, the Company has commitments for acquisition of aircrafts to be paid in the future of USD 179.67 million and USD 227.61 million, respectively.

21.2 Aircraft lease agreement

As at June 30, 2015 and December 31, 2014, the Company and subsidiaries have commitments under the operating lease agreements for aircrafts for the period of 5 - 12 years with aircraft lease expenses to be paid in the future as follows:

Consolidated financial statements

As at June 30, 2015

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	88,428,046	345,134,223	212,833,411	646,395,680

As at December 31, 2014

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	87,421,456	334,858,814	240,421,639	662,701,909

Separate financial statements

As at June 30, 2015

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	75,600,046	277,252,723	212,833,411	565,686,180

As at December 31, 2014

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	74,593,456	284,081,314	239,897,139	598,571,909

Aircraft lease expenses recognized as expenses in the statements of profit or loss and other comprehensive income are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
For the three-month periods ended June 30,	697,053,457	430,222,819	624,733,094	430,222,819
For the six-month periods ended June 30,	1,463,291,272	834,417,217	1,243,997,202	834,417,217

21.3 Other lease and service agreements

As at June 30, 2015 and December 31, 2014, the Company and subsidiaries has other significant lease and service agreements as follows:

Type of Agreements	Lease/service periods
Lease Agreements	
Office rental and service	1 - 3 years
Vehicle rental	1 - 5 years
Equipment rental	1 - 4 years
Service Agreements	
Aircraft maintenance	7 years
Ticket reservation system	10 years
Call Center	3 years
Airport ground service*	1 - 5 years
Airport usage*	1 - 3 years
Collection agent*	3 years
Flight information service*	3 years
Sales service*	5 years
Internet service*	5 years

Rental and service fees are based on conditions stipulated in each agreement. The Company, its subsidiaries and the counter signed parties of the agreements abide by the conditions of the agreements.

* Service fees are calculated on actual service usage.

The minimum rental fee under the rental agreements and service fees under service agreements to be paid in the future are as follows:

Consolidated financial statements

As at June 30, 2015

Agreements	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Lease and Rental Agreements					
Office rental and service	THB	49,073,687	29,593,879	-	78,667,566
Vehicle rental	THB	3,963,873	3,946,458	-	7,910,331
Equipment rental	THB	1,014,464	1,289,687	-	2,304,151
Service Agreements					
Aircraft maintenance	USD	33,842,274	112,147,363	-	145,989,637
Aircraft maintenance	SGD	861,900	2,944,825	-	3,806,725
Ticket reservation system	USD	2,297,367	8,069,013	3,219,078	13,585,458
Call center service	THB	46,435,200	14,976,000	-	61,411,200

As at December 31, 2014

Agreements	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Lease and Rental Agreements					
Office rental and service	THB	43,565,795	24,646,749	-	68,212,544
Vehicle rental	THB	3,822,467	4,618,688	-	8,441,155
Equipment rental	THB	868,080	1,347,650	-	2,215,730
Service Agreements					
Aircraft maintenance	USD	15,461,270	56,691,323	-	72,152,593
Ticket reservation system	USD	1,280,676	6,789,751	4,237,681	12,308,108
Call center service	THB	37,538,700	58,247,100	-	95,785,800

Separate financial statements

As at June 30, 2015

Agreements	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Lease and Rental Agreements					
Office rental and service	THB	45,941,593	26,813,423	-	72,755,016
Vehicle rental	THB	3,734,037	3,582,551	-	7,316,588
Equipment rental	THB	895,052	1,021,010	-	1,916,062
Service Agreements					
Aircraft maintenance	USD	15,913,686	50,393,339	-	66,307,025
Ticket reservation system	USD	1,393,825	7,054,867	3,219,078	11,667,770
Call center service	THB	32,611,200	-	-	32,611,200

As at December 31, 2014

Agreements	Currency	Periods			Total
		Within one	Over	Over	
		year	one year but not over five years	five years	
Lease and Rental Agreements					
Office rental and service	THB	43,565,795	24,646,749	-	68,212,544
Vehicle rental	THB	3,822,467	4,618,688	-	8,441,155
Equipment rental	THB	868,080	1,347,650	-	2,215,730
Service Agreements					
Aircraft maintenance	USD	15,461,270	56,691,323	-	72,152,593
Ticket reservation system	USD	1,280,676	6,789,751	4,237,681	12,308,108
Call center service	THB	32,611,200	16,305,600	-	48,916,800

Rental per lease agreements recognized as expenses in the statements of profit or loss and other comprehensive income are as follows:

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
For the three-month periods ended June 30,	14,137,621	9,256,768	12,565,156	9,256,768
For the six-month periods ended June 30,	26,286,469	16,754,433	23,870,799	16,754,433

21.4 Bank guarantees

The Company and subsidiaries has outstanding bank guarantees issued by banks are as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2015	2014	2015	2014
General guarantee	THB	56,997,054	54,154,724	51,542,054	47,661,724
General guarantee	USD	20,000	20,000	-	-
Aircraft leasing guaranteed by Standby Letter of Credit	USD	35,315,587	32,716,071	34,246,587	31,647,071

Above guarantees of the Company are unsecured guarantees.

As at June 30, 2015, the letters of guarantee of a subsidiary are guaranteed by the subsidiary's saving deposits account of a subsidiary of Baht 41.55 million which is presented as deposit at bank pledged as collateral in the consolidated statement of financial position.

22. FINANCIAL INFORMATION BY SEGMENT

The segment information of the Company and its subsidiaries were presented by domestic and foreign business segments as follows:

	UNIT : BAHT		
	Consolidated financial statements		
	Domestic services	International services	Total
Statement of profit or loss and other comprehensive income for the three-month period ended June 30, 2015			
Revenues			
Passenger revenues	2,688,468,110	310,715,223	2,999,183,333
Service revenues	235,016,798	23,547,674	258,564,472
Other income			
Interest income	13,142,803	-	13,142,803
Others	81,413,102	4,030,657	85,443,759
Total Revenues	<u>3,018,040,813</u>	<u>338,293,554</u>	<u>3,356,334,367</u>
Expenses			
Costs of passengers and services	(2,879,202,758)	(724,320,574)	(3,603,523,332)
Selling expenses	(45,865,147)	(3,388,539)	(49,253,686)
Administrative expenses	(105,638,291)	(55,991,966)	(161,630,257)
Total Expenses	<u>(3,030,706,196)</u>	<u>(783,701,079)</u>	<u>(3,814,407,275)</u>
Loss before income tax expense	(12,665,383)	(445,407,525)	(458,072,908)
Income tax revenue	72,309	4,741	77,050
Loss for the periods	<u>(12,593,074)</u>	<u>(445,402,784)</u>	<u>(457,995,858)</u>
Total comprehensive loss for the periods	<u>(12,593,074)</u>	<u>(445,402,784)</u>	<u>(457,995,858)</u>

	UNIT : BAHT		
	Consolidated financial statements		
	Domestic services	International services	Total
Statement of profit or loss and other comprehensive income for the six-month period ended June 30, 2015			
Revenues			
Passenger revenues	5,772,751,584	578,511,050	6,351,262,634
Service revenues	509,350,868	30,647,976	539,998,844
Other income			
Interest income	25,149,690	-	25,149,690
Others	82,796,587	4,356,437	87,153,024
Total Revenues	<u>6,390,048,729</u>	<u>613,515,463</u>	<u>7,003,564,192</u>
Expenses			
Costs of passengers and services	(5,999,435,804)	(1,177,148,724)	(7,176,584,528)
Selling expenses	(87,230,525)	(13,701,126)	(100,931,651)
Administrative expenses	(235,418,462)	(113,397,358)	(348,815,820)
Total Expenses	<u>(6,322,084,791)</u>	<u>(1,304,247,208)</u>	<u>(7,626,331,999)</u>
Profit (loss) before income tax expense	67,963,938	(690,731,745)	(622,767,807)
Income tax revenue	143,667	7,347	151,014
Profit (loss) for the periods	<u>68,107,605</u>	<u>(690,724,398)</u>	<u>(622,616,793)</u>
Total comprehensive income (loss) for the periods	<u>68,107,605</u>	<u>(690,724,398)</u>	<u>(622,616,793)</u>

**Statement of financial position
as at June 30, 2015**

Segment assets	5,856,954,630	501,598,425	6,358,553,055
Segment liabilities	2,165,352,343	211,463,629	2,376,815,972

	UNIT : BAHT		
	Consolidated financial statements		
	Domestic services	International services	Total
Statement of profit or loss and other comprehensive income for the three-month period ended June 30, 2014			
Revenues			
Passenger revenues	2,546,409,837	60,811,082	2,607,220,919
Service revenues	180,465,354	11,032,517	191,497,871
Other income			
Interest income	31,748,397	-	31,748,397
Total Revenues	<u>2,758,623,588</u>	<u>71,843,599</u>	<u>2,830,467,187</u>
Expenses			
Costs of passengers and services	(2,722,773,299)	(81,351,659)	(2,804,124,958)
Selling expenses	(74,468,475)	(938,690)	(75,407,165)
Administrative expenses	(114,472,609)	(4,369,346)	(118,841,955)
Finance costs	(1,242,880)	(27,309)	(1,270,189)
Total Expenses	<u>(2,912,957,263)</u>	<u>(86,687,004)</u>	<u>(2,999,644,267)</u>
Loss before income tax expense	(154,333,675)	(14,843,405)	(169,177,080)
Income tax revenue	9,282,417	170,726	9,453,143
Loss for the periods	<u>(145,051,258)</u>	<u>(14,672,679)</u>	<u>(159,723,937)</u>
Total comprehensive loss for the periods	<u>(145,051,258)</u>	<u>(14,672,679)</u>	<u>(159,723,937)</u>

UNIT : BAHT

	Consolidated financial statements		
	Domestic services	International services	Total
Statement of profit or loss and other comprehensive income for the six-month period ended June 30, 2014			
Revenues			
Passenger revenues	5,371,714,215	117,442,448	5,489,156,663
Service revenues	394,615,684	11,032,517	405,648,201
Other income			
Interest income	68,662,512	-	68,662,512
Total Revenues	<u>5,834,992,411</u>	<u>128,474,965</u>	<u>5,963,467,376</u>
Expenses			
Costs of passengers and services	(5,548,685,939)	(165,317,968)	(5,714,003,907)
Selling expenses	(137,957,576)	(3,143,069)	(141,100,645)
Administrative expenses	(217,868,755)	(8,175,153)	(226,043,908)
Finance costs	(1,242,880)	(27,309)	(1,270,189)
Total Expenses	<u>(5,905,755,150)</u>	<u>(176,663,499)</u>	<u>(6,082,418,649)</u>
Loss before income tax expense	(70,762,739)	(48,188,534)	(118,951,273)
Income tax revenue	159,237	3,499	162,736
Loss for the periods	<u>(70,603,502)</u>	<u>(48,185,035)</u>	<u>(118,788,537)</u>
Total comprehensive loss for the periods	<u>(70,603,502)</u>	<u>(48,185,035)</u>	<u>(118,788,537)</u>
Statement of financial position as at June 30, 2014			
Segment assets	6,080,624,303	160,012,649	6,240,636,952
Segment liabilities	2,064,679,406	52,427,897	2,117,107,303

23. INVESTMENT PROMOTION RIGHTS AND PRIVILEGES

The Company has been granted certain rights and privileges as a promoted company under the Investment Promotion Act which the Company will be exempted from corporate income tax on promotional operations in service airlines for the aggregated amount not exceeding 100% of the Company's investment, excluding cost of land and working capital for a period of 8 years from the commencement of promoted revenue. The Company shall follow the conditions laid out in the investment promotion certificate.

As at June 30, 2015 and December 31, 2014, the Company's investment promotion certificates are as follows:

Date of certificate	Certificate number	Revenue commenced date	Expiry date
November 17, 2011	2512(2)/2554	November 24, 2011	November 23, 2019
November 22, 2011	2513(2)/2554	December 2, 2011	December 1, 2019
November 29, 2011	1087(2)/2555	December 28, 2011	December 27, 2019
March 20, 2012	1475(2)/2555	June 9, 2012	June 8, 2020
June 12, 2012	1893(2)/2555	September 18, 2012	September 17, 2020
August 21, 2012	2447(2)/2555	December 1, 2012	November 30, 2020
September 14, 2012	2549(2)/2555	March 12, 2013	March 11, 2021
October 24, 2012	2771(2)/2555	December 31, 2012	December 30, 2020
October 30, 2012	2772(2)/2555	December 29, 2012	December 28, 2020
October 30, 2012	2773(2)/2555	February 19, 2013	February 18, 2021
February 8, 2013	1207(2)/2556	February 22, 2013	February 21, 2021
March 5, 2013	1518(2)/2556	May 17, 2013	May 16, 2021
March 19, 2013	1558(2)/2556	May 21, 2013	May 20, 2021
May 17, 2013	1916(2)/2556	October 28, 2013	October 27, 2021
November 25, 2014	1010(2)/2558	November 25, 2014	November 24, 2022

As at June 30, 2015, the subsidiary's investment promotion certificates are as follows:

Date of certificate	Certificate number	Revenue commenced date	Expiry date
April 2, 2015	1553(2)/2558	April 20, 2015	April 20, 2023
April 2, 2015	1534(2)/2558	April 20, 2015	April 20, 2023

In addition, shareholders of the Company will be exempted from tax on dividends from promoted business during the period in which the Company is granted the exemption from company income tax.

The Company and the subsidiary thus have to comply with certain conditions contained in the promotion certificates.

24. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

24.1 Credit risk

Credit risk refers to the risk that accounts receivable will default on its contractual obligations resulting in a financial loss to the Company. The Company may have concentration of risks from its receivables. However, the Company does not have significant damage incurred from non-compliance with its contractual obligations of the accounts receivable and expects that there is no significant credit risk.

In the case of recognized financial assets in the statement of financial position, the carrying amount of the assets recorded in the statement of financial position, represents the Company's maximum exposure to credit risk.

24.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an effect on the operation of the Company in the current reporting period and in future years. However, the effect of the change in interest rate does not have a material impact on the Company as the Company has no significant investments in debt securities and borrowings.

24.3 Exchange rate risk

Exchange rate risk arises from the potential for a change in exchange rate to have an adverse effect on the Company in the current reporting period and in future years.

The Company uses derivative financial instruments which consist of forward contracts to reduce exposure to fluctuations in foreign currency exchange.

Forward contract protects the Company from movements in exchange rate by establishing the rate at which a foreign currency asset and liability will be settled. Any increase or decrease in the amount required to settle the asset or liability is offset by a corresponding movement in the forward exchange contract.

The notional contract amount and the fair value of forward foreign exchange contracts are summarized as follows:

Contract amounts			Deliverable amount			Fair value	
Currency	As at June 30, 2015	As at December 31, 2014	Currency	As at June 30, 2015	As at December 31, 2014	As at June 30, 2015	As at December 31, 2014
USD	6,000,000	5,000,000	THB	202,109,260	164,681,600	203,147,193	165,694,642

24.4 Fuel price risk

Aircraft fuel is a major cost of the Company's operation and the Company has an exposure from the fluctuation of aircraft fuel's price. Therefore, the Company has entered into fuel fixed-price contracts with fuel suppliers for 20% - 50% of volume of monthly consumption for not exceeding 6 - 12 months. As at June 30, 2015 and December 31, 2014, the Company has the obligations for payments of aircraft fuel under fuel fixed-price contracts of USD 16.04 million and USD 16.46 million, respectively.

24.5 Fair value of financial instruments

For the fair value disclosures, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company and subsidiaries in estimating fair value of financial instruments.

Cash and cash equivalents, temporary investments, trade and other receivables, refundable value-added tax, aircraft deposits and prepayments, other current assets, deposits at bank pledged as collateral, long-term loans to a related company, trade and other payables, provisions for aircraft maintenance and other current liabilities; the carrying value approximate their fair value.

Other long-term investments which are investments in non-listed securities; fair value is based on net asset value of related securities.

25. PRESENTATIONS

The consolidated and separate statement of financial position as at December 31, 2014 have been presented for trade and other receivables and trade and other payables in total amount which were previously presented each transaction separately under such items. The detail transactions under trade and other receivables and trade and other payables transactions were disclosed in Notes 6 and 15, respectively, to conform to the presentations used in the consolidated and separate statement of financial position as at June 30, 2015.

26. EVENT AFTER THE REPORTING PERIOD

On August 12, 2015, the Company's passenger check-in system has been interrupted, resulted to delay in passengers traveling time. To be responsible for the passengers who have been impacted on that day, the Company, therefore, considers to compensate to those impacted passengers by giving a one way free domestic ticket per each person which the total expenses are approximately by Baht 18.6 million.

27. APPROVAL OF FINANCIAL STATEMENTS

The financial statement has been approved for issue by the Company's Board of Directors on August 13, 2015.

.....
(Mr. Patee Sarasin)
Director and Chief Executive Officer

.....
(Mr. Chokchai Panyayong)
Director