

**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 September 30, 2015, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2015, and the consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-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**  
November 12, 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 SEPTEMBER 30, 2015

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		September 30, 2015 “Unaudited”	December 31, 2014	September 30, 2015 “Unaudited”	December 31, 2014
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	3,153,979,510	2,926,607,844	2,319,154,212	1,752,503,995
Temporary investments	5	116,044,000	300,000,000	100,000,000	300,000,000
Trade and other receivables	6 and 26	1,277,904,805	430,232,058	1,090,953,926	420,433,225
Inventories	7	18,989,165	17,460,552	18,989,165	17,460,552
Refundable value-added tax		250,575,207	234,046,425	95,245,369	120,116,881
Short-term aircraft deposits and prepayments	8	608,888,315	1,242,667,404	608,888,315	1,229,378,220
Other current assets		64,116,379	33,273,620	48,604,670	31,594,901
Total Current Assets		<u>5,490,497,381</u>	<u>5,184,287,903</u>	<u>4,281,835,657</u>	<u>3,871,487,774</u>
<b>NON-CURRENT ASSETS</b>					
Deposits at bank pledged as collateral	22.4	58,269,080	-	-	-
Investments in subsidiaries	9	-	-	4,949,000	4,949,000
Other long-term investments	10	48,089,500	47,311,500	48,089,500	47,311,500
Long-term loans to a related party	11	-	-	970,000,000	725,000,000
Leasehold improvements and equipment	12	278,253,739	253,833,294	266,262,693	243,464,321
Intangible assets	13	47,811,413	46,161,006	42,464,860	42,715,468
Deferred tax assets	14	19,645,102	19,375,606	19,645,102	19,375,606
Long-term aircraft deposits and prepayments	8	513,488,696	1,012,463,881	455,434,299	977,386,998
Other non-current assets		8,170,576	5,568,969	8,085,426	5,388,524
Total Non-Current Assets		<u>973,728,106</u>	<u>1,384,714,256</u>	<u>1,814,930,880</u>	<u>2,065,591,417</u>
<b>TOTAL ASSETS</b>		<u><u>6,464,225,487</u></u>	<u><u>6,569,002,159</u></u>	<u><u>6,096,766,537</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 SEPTEMBER 30, 2015**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2015	2014	2015	2014
		“Unaudited”		“Unaudited”	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	15 and 26	2,574,347,223	1,833,762,816	2,068,372,926	1,727,785,087
Deferred income from					
customer loyalty programmes		56,548,756	52,312,744	56,548,756	52,312,744
Short-term provisions for aircraft maintenance	16	83,178,480	78,280,934	83,178,480	78,280,934
Withholding tax payable		22,469,850	19,643,515	18,385,845	18,644,150
Other current liabilities		10,437,875	4,639,812	7,485,203	2,545,462
Total Current Liabilities		<u>2,746,982,184</u>	<u>1,988,639,821</u>	<u>2,233,971,210</u>	<u>1,879,568,377</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term provisions for aircraft maintenance	16	217,989,007	91,651,774	199,738,320	79,888,309
Employee benefit obligations	17	159,901,329	130,155,685	159,901,329	130,155,685
Other non-current liabilities		10,236,450	9,201,003	10,236,450	9,201,003
Total Non-Current Liabilities		<u>388,126,786</u>	<u>231,008,462</u>	<u>369,876,099</u>	<u>219,244,997</u>
<b>TOTAL LIABILITIES</b>		<u>3,135,108,970</u>	<u>2,219,648,283</u>	<u>2,603,847,309</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 SEPTEMBER 30, 2015**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
		“Unaudited”		“Unaudited”	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
		625,000,000	625,000,000	625,000,000	625,000,000
Issued and paid-up share capital					
		625,000,000	625,000,000	625,000,000	625,000,000
SHARE PREMIUM ACCOUNT					
-	ORINARY 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					
		(524,772,422)	47,076,765	(237,066,715)	108,279,874
Deficit from change in shareholding					
	in a subsidiary	1.2 (5,940,185)	(5,940,185)	-	-
Total owners of the parent		3,199,273,336	3,771,122,523	3,492,919,228	3,838,265,817
Non-controlling interests		129,843,181	578,231,353	-	-
TOTAL SHAREHOLDERS' EQUITY		3,329,116,517	4,349,353,876	3,492,919,228	3,838,265,817
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>6,464,225,487</b>	<b>6,569,002,159</b>	<b>6,096,766,537</b>	<b>5,937,079,191</b>

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 SEPTEMBER 30, 2015**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
<b>REVENUES</b>					
Passenger revenues	21.2	2,818,615,308	2,523,115,143	2,697,142,392	2,523,115,143
Service revenues	21.2	316,726,805	190,636,194	223,608,817	190,602,594
Other income					
Interest income	21.2	8,939,112	19,414,821	11,418,021	19,773,377
Others	19 and 21.2	211,916,894	10,760,258	209,110,487	10,804,708
Total Revenue		<u>3,356,198,119</u>	<u>2,743,926,416</u>	<u>3,141,279,717</u>	<u>2,744,295,822</u>
<b>EXPENSES</b>					
Costs of passenger and services	21.2	3,716,078,977	2,936,719,302	3,273,370,646	2,886,531,864
Selling expenses		83,259,588	92,801,993	79,076,381	83,895,570
Administrative expenses		209,598,602	144,717,633	138,612,323	126,170,565
Finance costs		-	1,002,860	-	1,002,860
Total Expenses		<u>4,008,937,167</u>	<u>3,175,241,788</u>	<u>3,491,059,350</u>	<u>3,097,600,859</u>
LOSS BEFORE INCOME TAX		(652,739,048)	(431,315,372)	(349,779,633)	(353,305,037)
INCOME TAX REVENUE	14	(118,482)	(34,238)	(118,482)	(34,238)
LOSS FOR THE PERIODS		<u>(652,620,566)</u>	<u>(431,281,134)</u>	<u>(349,661,151)</u>	<u>(353,270,799)</u>
<b>TOTAL COMPREHENSIVE LOSS</b>					
<b>FOR THE PERIODS</b>		<u>(652,620,566)</u>	<u>(431,281,134)</u>	<u>(349,661,151)</u>	<u>(353,270,799)</u>
<b>LOSS ATTRIBUTABLE TO</b>					
Owners of the parent		(423,540,223)	(372,443,289)	(349,661,151)	(353,270,799)
Non-controlling interests		(229,080,343)	(58,837,845)	-	-
		<u>(652,620,566)</u>	<u>(431,281,134)</u>	<u>(349,661,151)</u>	<u>(353,270,799)</u>
<b>BASIC LOSS PER SHARE (BAHT)</b>		(0.68)	(0.60)	(0.56)	(0.57)
<b>NUMBER OF WEIGHTED AVERAGE</b>					
<b>ORDINARY SHARES (SHARES)</b>		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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
<b>REVENUES</b>					
Passenger revenues	21.3	9,169,877,942	8,012,271,806	8,782,851,848	8,012,271,806
Service revenues	21.3	768,505,361	532,718,888	664,364,435	532,685,288
Other income					
Interest income	21.3	34,088,802	88,077,333	39,733,836	88,435,889
Others	19 and 21.3	327,605,250	27,700,743	320,441,736	27,700,743
Total Revenue		<u>10,300,077,355</u>	<u>8,660,768,770</u>	<u>9,807,391,855</u>	<u>8,661,093,726</u>
<b>EXPENSES</b>					
Costs of passenger and services	21.3	10,839,993,472	8,607,224,113	9,600,819,348	8,557,036,675
Selling expenses		184,191,239	233,902,638	169,035,926	224,996,216
Administrative expenses		551,399,499	367,635,615	383,152,666	348,848,494
Finance costs		-	2,273,049	-	2,273,049
Total Expenses		<u>11,575,584,210</u>	<u>9,211,035,415</u>	<u>10,153,007,940</u>	<u>9,133,154,434</u>
LOSS BEFORE INCOME TAX		(1,275,506,855)	(550,266,645)	(345,616,085)	(472,060,708)
INCOME TAX REVENUE	14	(269,496)	(196,974)	(269,496)	(196,974)
LOSS FOR THE PERIODS		<u>(1,275,237,359)</u>	<u>(550,069,671)</u>	<u>(345,346,589)</u>	<u>(471,863,734)</u>
<b>TOTAL COMPREHENSIVE LOSS</b>					
<b>FOR THE PERIODS</b>		<u>(1,275,237,359)</u>	<u>(550,069,671)</u>	<u>(345,346,589)</u>	<u>(471,863,734)</u>
<b>LOSS ATTRIBUTABLE TO</b>					
Owners of the parent		(571,849,187)	(491,132,068)	(345,346,589)	(471,863,734)
Non-controlling interests		(703,388,172)	(58,937,603)	-	-
		<u>(1,275,237,359)</u>	<u>(550,069,671)</u>	<u>(345,346,589)</u>	<u>(471,863,734)</u>
<b>BASIC LOSS PER SHARE (BAHT)</b>		(0.91)	(0.79)	(0.55)	(0.75)
<b>NUMBER OF WEIGHTED AVERAGE</b>					
<b>ORDINARY SHARES (SHARES)</b>		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 NINE-MONTH PERIOD ENDED SEPTEMBER 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 nine-month period ended September 30, 2014								
Increase in share capital of a subsidiary	1.2	-	-	-	-	-	5,151,000	5,151,000
Total comprehensive loss for the period		-	-	-	(491,132,068)	(491,132,068)	(58,937,603)	(550,069,671)
Recognition of non-controlling interests - from investment in subsidiaries during the period		-	-	-	-	-	108,759,741	108,759,741
Dividend paid	18	-	-	-	(306,250,000)	(306,250,000)	-	(306,250,000)
<b>Balances as of September 30, 2014</b>		<b>625,000,000</b>	<b>3,042,485,943</b>	<b>62,500,000</b>	<b>16,049,175</b>	<b>3,746,035,118</b>	<b>54,973,138</b>	<b>3,801,008,256</b>

.....  
(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 NINE-MONTH PERIOD ENDED SEPTEMBER 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 Legal reserve	Unappropriated				
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 nine-month period ended September 30, 2015									
Increase in share capital of a subsidiary	1.2	-	-	-	-	-	-	255,000,000	255,000,000
Total comprehensive loss for the period		-	-	-	(571,849,187)	-	(571,849,187)	(703,388,172)	(1,275,237,359)
<b>Balances as of September 30, 2015</b>		<u>625,000,000</u>	<u>3,042,485,943</u>	<u>62,500,000</u>	<u>(524,772,422)</u>	<u>(5,940,185)</u>	<u>3,199,273,336</u>	<u>129,843,181</u>	<u>3,329,116,517</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 NINE-MONTH PERIOD ENDED SEPTEMBER 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 nine-month period ended September 30, 2014					
Total comprehensive loss for the period		-	-	- (471,863,734)	(471,863,734)
Dividend paid	18	-	-	(306,250,000)	(306,250,000)
<b>Balances as of September 30, 2014</b>		<u>625,000,000</u>	<u>3,042,485,943</u>	<u>62,500,000</u> <u>35,317,509</u>	<u>3,765,303,452</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 NINE-MONTH PERIOD ENDED SEPTEMBER 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		
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 nine-month period ended September 30, 2015						
Total comprehensive loss for the period		-	-	-	(345,346,589)	(345,346,589)
<b>Balances as of September 30, 2015</b>		<u>625,000,000</u>	<u>3,042,485,943</u>	<u>62,500,000</u>	<u>(237,066,715)</u>	<u>3,492,919,228</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 CASH FLOWS**  
**FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Loss before income tax		(1,275,506,855)	(550,266,645)	(345,616,085)	(472,060,708)
Adjustments for:					
Depreciation		44,316,163	28,138,595	41,272,506	28,093,162
Amortisation		15,845,801	13,751,842	14,605,966	13,751,842
Loss on disposal of equipment		455,396	748,810	455,396	748,810
Unrealized (gain) loss on exchange rate		(226,783,188)	17,737,595	(214,677,801)	17,737,595
Reversal of allowance for doubtful accounts		(984,349)	(11,634,686)	(984,349)	(11,634,686)
Surplus from investing amount exceeding interest in subsidiary	1.2	-	2,909,163	-	-
Provision for aircraft maintenance expenses recognized as expenses for the period		225,886,383	135,451,651	219,399,159	135,451,651
Deferred income from customer loyalty programmes recognized during the period		4,236,012	11,167,269	4,236,012	11,167,269
Employee benefit expenses		40,844,515	30,019,629	40,844,515	30,019,629
Interest income		(34,088,802)	(88,077,333)	(39,733,836)	(88,435,889)
Interest expense		-	2,273,049	-	2,273,049
Operating loss before changes in operating assets and liabilities		(1,205,778,924)	(407,781,061)	(280,198,517)	(332,888,276)
Operating assets (increase) decrease					
Trade and other receivables		(815,689,861)	(82,762,618)	(627,733,558)	(85,925,577)
Inventories		(1,528,613)	(6,936,609)	(1,528,613)	(6,936,609)
Refundable value-added tax		(16,528,782)	-	24,871,512	-
Short-term aircraft deposits and prepayments		720,939,383	(649,627,526)	709,354,263	(619,094,161)
Other current assets		(24,330,470)	(153,055,890)	(13,206,150)	(33,695,451)
Deposits at bank pledged as collateral		(58,269,080)	-	-	-

.....  
(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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
(CONTINUED)					
Operating assets (increase) decrease (continued)					
Long-term aircraft deposits and prepayments		572,675,337	(1,118,277,190)	588,421,172	(1,118,455,027)
Other non-current assets		(2,601,607)	9,207,938	(2,696,902)	9,205,938
Operating liabilities increase (decrease)					
Trade and other payables		716,352,919	116,638,229	320,716,047	67,106,085
Aircraft maintenance paid		(118,929,914)	(122,155,686)	(118,929,914)	(122,155,686)
Withholding tax payable		2,826,335	264,571	(258,305)	(721,681)
Other current liabilities		5,798,063	2,639,356	4,939,741	1,787,339
Employee benefit paid		(11,098,871)	(5,846,606)	(11,098,871)	(5,846,606)
Other non-current liabilities		1,035,447	-	1,035,447	-
Cash received (paid) from operations		(235,128,638)	(2,417,693,092)	593,687,352	(2,247,619,712)
Income tax paid		(6,512,291)	(10,101,011)	(3,803,620)	(10,101,011)
Net cash provided by (used in) operating activities		(241,640,929)	(2,427,794,103)	589,883,732	(2,257,720,723)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash received from temporary investments		183,956,000	2,500,000,000	200,000,000	2,500,000,000
Cash paid for investment in subsidiaries		-	-	-	(4,949,000)
Cash paid for long-term investment		(778,000)	(41,337,900)	(778,000)	(41,337,900)
Cash paid for long-term loans to a related party		-	-	(245,000,000)	(77,500,000)
Cash paid for acquisition of equipment and intangible assets	4.2	(86,498,023)	(156,183,052)	(78,686,963)	(154,192,679)
Proceeds from sales of equipment		-	241,830	-	241,830
Cash received from interest income		34,344,344	122,579,935	29,185,121	122,579,935
Net cash provided by (used in) investing activities		131,024,321	2,425,300,813	(95,279,842)	2,344,842,186

.....  
(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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2015**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2015	2014	2015	2014
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend paid		-	(306,250,000)	-	(306,250,000)
Cash paid for interest expense		-	(2,273,049)	-	(2,273,049)
Cash received from short-term borrowings					
from financial institution		-	1,560,000,000	-	1,560,000,000
Cash paid for short-term borrowings					
from financial institution		-	(1,560,000,000)	-	(1,560,000,000)
Cash received from share subscription					
of the subsidiaries from non-controlling interests		255,000,000	114,146,218	-	-
Net cash provided by (used in) financing activities		255,000,000	(194,376,831)	-	(308,523,049)
<b>EFFECT FROM FOREIGN EXCHANGE RATE</b>					
<b>IN CASH AND CASH EQUIVALENTS</b>					
		82,988,274	931,867	72,046,327	931,867
Net increase (decrease) in cash and cash equivalents		227,371,666	(195,938,254)	566,650,217	(220,469,719)
Cash and cash equivalents as at January 1,		2,926,607,844	565,433,436	1,752,503,995	565,433,436
<b>Cash and cash equivalents as at September 30,</b>	4	<u>3,153,979,510</u>	<u>369,495,182</u>	<u>2,319,154,212</u>	<u>344,963,717</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**  
**CONDENSED NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 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, 17<sup>th</sup> 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 September 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 the International Civil Aviation Organization (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:

	<b>UNIT : BAHT</b>
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 Shareholders Meeting 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. and Pueannammitr Co., 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. and Pueannammitr Co., Ltd. as part of non-controlling interest in the amount of Baht 255 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 nine-month periods ended September 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 nine-month periods ended September 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 nine-month periods ended September 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 September 30, 2015. Significant transactions and balances between the Company and subsidiaries have been eliminated.

As at September 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 September 30, 2015	As at December 31, 2014
<b>Direct subsidiaries</b>					
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
<b>Indirect subsidiary</b>					
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.

In addition, the Federation of Accounting Professions issued the Notification regarding the Conceptual Framework for Financial Reporting (Revised 2015), which was announced in the Royal Gazette and effective from November 6, 2015 onwards to replace the Conceptual Framework for Financial Reporting (Revised 2014). Such Conceptual Framework for Financial Reporting has no material impact on these financial statements.

- 2.8 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective  
The Federation of Accounting Professions issued the Notifications regarding the Thai Financial Reporting Standards (“TFRSs”), which are announced in the Royal Gazette and effective for the financial statements for the accounting periods beginning on or after January 1, 2016 onwards as follows:

**Thai Accounting Standards (“TAS”)**

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 11 (Revised 2015)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2015)	Borrowing Costs
TAS 24 (Revised 2015)	Related Party Disclosures
TAS 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TAS 40 (Revised 2015)	Investment Property
TAS 41	Agriculture

**Thai Financial Reporting Standards (“TFRS”)**

TFRS 2 (Revised 2015)	Share-based Payment
TFRS 3 (Revised 2015)	Business Combinations
TFRS 4 (Revised 2015)	Insurance Contracts
TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2015)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (Revised 2015)	Operating Segments
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

**Thai Accounting Standards Interpretations (“TSIC”)**

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases - Incentives
TSIC 25 (Revised 2015)	Income Taxes - Change in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2015)	Disclosure - Service Concession Arrangements
TSIC 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets - Web Site Costs

**Thai Financial Reporting Standard Interpretations (“TFRIC”)**

TFRIC 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	TAS 19 (Revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

**Guideline on Accounting**

Guideline on Accounting regarding Recognition and Measurement of Bearer Plants

The Company’s and its subsidiaries’ managements are in the process to assess the impact of these TFRSs on the consolidated and separate financial statements 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 September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
Cash on hand	36,309,814	25,120,274	28,631,997	25,099,941
Deposits at banks - current accounts	479,695,336	110,715,286	213,952,025	110,685,286
Deposits at banks - savings accounts	677,974,360	1,440,772,284	616,570,190	266,718,768
Certificates of deposit (interest at the rates of 1.45 % - 3.00% p.a. with maturities less than 3 months)	<u>1,960,000,000</u>	<u>1,350,000,000</u>	<u>1,460,000,000</u>	<u>1,350,000,000</u>
Total	<u>3,153,979,510</u>	<u>2,926,607,844</u>	<u>2,319,154,212</u>	<u>1,752,503,995</u>

##### 4.2 Non-cash items from purchases and increase in equipment and intangible assets for the nine-month periods ended September 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	86,688,212	187,757,948	78,881,632	185,670,221
<u>Less</u> Cash payments during the periods	<u>(86,498,023)</u>	<u>(156,183,052)</u>	<u>(78,686,963)</u>	<u>(154,192,679)</u>
Payables for purchases of equipment and intangible assets carried forward	<u>23,214,449</u>	<u>54,692,366</u>	<u>23,214,449</u>	<u>54,595,012</u>

#### 5. TEMPORARY INVESTMENTS

##### Temporary investments consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2015	As at December 31, 2014	As at September 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)	100,000,000	300,000,000	100,000,000	300,000,000
Fixed Account (interest at the rate of 1.00% - 1.50% p.a. with maturities of 3-6 months)	<u>16,044,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>116,044,000</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 September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
Trade receivables - related parties (see Note 21.1)	3,776,963	1,409,019	5,973,168	1,409,019
Trade receivables - other parties	135,573,950	94,719,760	81,666,406	94,719,760
Total	139,350,913	96,128,779	87,639,574	96,128,779
<u>Less</u> Allowance for doubtful accounts	(8,651,445)	(9,635,794)	(8,651,445)	(9,635,794)
Total trade receivables	130,699,468	86,492,985	78,988,129	86,492,985
Other receivables				
Advance aircraft maintenance expenses	173,631,672	140,865,345	154,929,133	140,865,345
Other prepaid expenses	202,729,485	102,236,663	99,700,101	82,193,124
Accrued income - related parties (see Note 21.1)	3,608,172	-	15,425,294	2,181,345
Accrued income - other parties	9,936,981	9,080,224	9,633,981	6,898,879
Accrued interest income - related parties (see Note 21.1)	-	-	13,868,671	1,616,027
Accrued interest income - other related	6,585,723	6,841,265	5,137,336	6,841,265
Advance payments - related parties (see Note 21.1)	-	-	1,071,725	8,628,679
Advance payments - other parties	28,051,919	6,726,201	27,696,398	6,726,201
Advance payments for aircraft maintenance and engine maintenance	564,488,484	73,592,240	558,242,641	73,592,240
Refundable prepayment - aircraft acquisition	126,006,064	-	126,006,064	-
Advance fuel for aircraft	32,166,837	4,397,135	254,453	4,397,135
Total	1,277,904,805	430,232,058	1,090,953,926	420,433,225

### 6.2 Trade receivables classified by aging are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
Current	116,331,626	75,784,589	64,620,287	75,784,589
Overdue - Less than 1 month	8,558,270	6,004,874	8,558,270	6,004,874
- Over 1 month to 2 months	1,164,222	198,603	1,164,222	198,603
- Over 2 months to 4 months	1,419,095	212,354	1,419,095	212,354
- Over 4 months to 1 year	61,490	5,107,578	61,490	5,107,578
- Over 1 year	11,816,210	8,820,781	11,816,210	8,820,781
	139,350,913	96,128,779	87,639,574	96,128,779
<u>Less</u> Allowance for doubtful accounts	(8,651,445)	(9,635,794)	(8,651,445)	(9,635,794)
Total	130,699,468	86,492,985	78,988,129	86,492,985

## 7. INVENTORIES

Inventories consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
Goods for sales	3,739,868	2,853,767	3,739,868	2,853,767
Food and Beverage	67,988	-	67,988	-
Spare parts and other supplies	15,181,309	14,606,785	15,181,309	14,606,785
Total	<u>18,989,165</u>	<u>17,460,552</u>	<u>18,989,165</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 three-month and nine-month periods ended September 30, 2015 and 2014 as follows;

	UNIT : MILLION BAHT	
	Consolidated and separate financial statements 2015	2014
For the three-month periods ended September 30,	7.53	5.63
For the nine-month periods ended September 30,	22.65	9.74

## 8. AIRCRAFT DEPOSITS AND PREPAYMENTS

Aircraft deposits and prepayments consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
Short-term				
Deposits - aircraft lease and machine	116,957,405	83,776,993	116,957,405	70,487,809
Prepayments - aircraft acquisition	491,930,910	1,158,890,411	491,930,910	1,158,890,411
Total	<u>608,888,315</u>	<u>1,242,667,404</u>	<u>608,888,315</u>	<u>1,229,378,220</u>
Long-term				
Deposits - aircraft lease and machine	188,391,677	74,452,243	130,337,280	39,375,360
Prepayments - aircraft acquisition	325,097,019	938,011,638	325,097,019	938,011,638
Total	<u>513,488,696</u>	<u>1,012,463,881</u>	<u>455,434,299</u>	<u>977,386,998</u>



## 9. INVESTMENTS IN SUBSIDIARIES

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

Companies	Type of business	Country of registration	Shareholding		Paid-up share capital		Separate financial statements	
			Shareholding (%)		Paid-up share capital (Baht)		Cost method (Baht)	
			As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
<b>Direct subsidiaries</b>								
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
<b>Indirect subsidiary</b>								
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							4,949,000	4,949,000

\* 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 September 30, 2015		As at December 31, 2014		As at September 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	1.13	7,439,500	1.01	6,661,500	1.13	7,439,500	1.01	6,661,500
Pan Am International Flight Training Center (Thailand) Co., Ltd.	15.00	40,650,000	15.00	40,650,000	15.00	40,650,000	15.00	40,650,000
Total		48,089,500		47,311,500		48,089,500		47,311,500

### 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 September 12, 2014, the Company agreed with a juristic person in foreign country and a juristic person in Thailand in order to establish Pan Am International Flight Training Center (Thailand) Co., Ltd., a 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 September 30, 2015 and December 31, 2014, long-term loans to a related party are Baht 970 million and Baht 725 million, respectively (see Note 21.1).

**12. LEASEHOLD IMPROVEMENTS AND EQUIPMENT**

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

	<b>Consolidated financial statements</b>	<b>UNIT : BAHT Separate financial statements</b>
Beginning carrying amounts as at January 1, 2015	253,833,294	243,464,321
Purchases of assets (including construction in progress)	69,192,004	64,526,274
Transfer in - cost	45,140,313	45,140,313
Transfer out - cost	(45,140,313)	(45,140,313)
Cost of disposed/written-off assets	(8,313,848)	(8,313,848)
Accumulated depreciation of disposed/written-off assets	7,858,452	7,858,452
Depreciation	(44,316,163)	(41,272,506)
Ending carrying amounts as at September 30, 2015	<u>278,253,739</u>	<u>266,262,693</u>

Costs of equipment which are fully depreciated but still in use presented in the consolidated and separate financial statements as at September 30, 2015 and December 31, 2014 are Baht 167.97 million and Baht 142.24 million, respectively.

### 13. INTANGIBLE ASSETS

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

	<b>Consolidated financial statements</b>	<b>UNIT : BAHT Separate financial statements</b>
Beginning carrying amounts as at January 1, 2015	46,161,006	42,715,468
Purchases of intangible assets	17,496,208	14,355,358
Transfer in - cost	9,090,387	4,659,700
Transfer out - cost	(9,090,387)	(4,659,700)
Amortization	<u>(15,845,801)</u>	<u>(14,605,966)</u>
Ending carrying amounts as at September 30, 2015	<u>47,811,413</u>	<u>42,464,860</u>

Costs of intangible assets which are fully amortized but still in use presented in the consolidated and separate financial statements as at September 30, 2015 and December 31, 2014 are Baht 55.81 million and Baht 51.82 million, respectively.

### 14. DEFERRED TAX ASSETS AND INCOME TAX EXPENSE

Deferred tax assets consist of:

	<b>Consolidated financial statements</b>		<b>UNIT : BAHT Separate financial statements</b>	
	<b>As at September 30, 2015</b>	<b>As at December 31, 2014</b>	<b>As at September 30, 2015</b>	<b>As at December 31, 2014</b>
Deferred tax assets	<u>19,645,102</u>	<u>19,375,606</u>	<u>19,645,102</u>	<u>19,375,606</u>

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

	<b>Consolidated and separate financial statements</b>			<b>UNIT : BAHT</b>
	<b>Balances As at January 1, 2015</b>	<b>Items recognized in profit or loss</b>	<b>Items recognized in other comprehensive income</b>	<b>Balances As at September 30, 2015</b>
Deferred tax asset				
Allowance for doubtful accounts	360,689	(9,767)	-	350,922
Deferred income from customer loyalty programmes	6,617,843	-	-	6,617,843
Employee benefit obligations	<u>12,397,074</u>	<u>279,263</u>	-	<u>12,676,337</u>
Total	<u>19,375,606</u>	<u>269,496</u>	-	<u>19,645,102</u>

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

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax expense	-	-	-	-
Deferred income tax	(118,482)	(34,238)	(118,482)	(34,238)
Income tax revenue	<u>(118,482)</u>	<u>(34,238)</u>	<u>(118,482)</u>	<u>(34,238)</u>

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

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current income tax expense	-	-	-	-
Deferred income tax	(269,496)	(196,974)	(269,496)	(196,974)
Income tax revenue	<u>(269,496)</u>	<u>(196,974)</u>	<u>(269,496)</u>	<u>(196,974)</u>

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

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Accounting profit (loss) for non-promoted operations	(728,488,643)	31,702,446	201,402,127	109,908,383
Accounting loss for promoted operations	<u>(547,018,212)</u>	<u>(581,969,091)</u>	<u>(547,018,212)</u>	<u>(581,969,091)</u>
Accounting loss before income tax expense	<u>(1,275,506,855)</u>	<u>(550,266,645)</u>	<u>(345,616,085)</u>	<u>(472,060,708)</u>
Income tax calculated based on tax rate at 20%	(145,697,729)	6,340,489	40,280,425	21,981,677
Effect of tax losses not recognized as deferred tax assets	145,697,729	-	-	-
Effect of loss for promoted business used as tax deduction	-	(6,340,489)	(40,280,425)	(21,981,677)
Tax effect of temporary differences	<u>(269,496)</u>	<u>(196,974)</u>	<u>(269,496)</u>	<u>(196,974)</u>
Corporate income tax revenue as presented in the statements of profit or loss and other comprehensive income	<u>(269,496)</u>	<u>(196,974)</u>	<u>(269,496)</u>	<u>(196,974)</u>

## 15. TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2015	2014	2015	2014
Trade payables - related parties (see Note 21.1)	126,421,748	62,044,150	126,530,937	63,949,950
Trade payables - other parties	632,802,324	479,367,306	417,197,514	420,583,190
Other payables - related parties (see Note 21.1)	5,158,330	-	5,158,330	-
Other payables	37,192,415	9,899,173	25,220,702	9,898,253
Unearned passenger revenues	977,795,880	791,030,929	748,653,354	784,477,306
Other unearned revenues	15,414,085	19,490,774	15,414,085	13,674,396
Accrued expenses	779,562,441	471,930,484	730,198,004	435,201,992
Total	<u>2,574,347,223</u>	<u>1,833,762,816</u>	<u>2,068,372,926</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	As at	As at	As at
	September 30,	December 31,	September 30,	December 31,
	2015	2014	2015	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	250,164,693	202,683,404	243,677,471	190,919,939
<u>Less</u> Aircraft maintenance cost paid during the period/year	<u>(118,929,914)</u>	<u>(135,848,896)</u>	<u>(118,929,914)</u>	<u>(135,848,896)</u>
Provisions at ending of the period/year for aircraft maintenance	301,167,487	169,932,708	282,916,800	158,169,243
<u>Less</u> Short-term provisions for aircraft maintenance	<u>(83,178,480)</u>	<u>(78,280,934)</u>	<u>(83,178,480)</u>	<u>(78,280,934)</u>
Long-term provisions for aircraft maintenance	<u>217,989,007</u>	<u>91,651,774</u>	<u>199,738,320</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 September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
Retirement benefits	122,678,656	103,436,274	122,678,656	103,436,274
Other long term benefit - Pilot saving fund	37,222,673	26,719,411	37,222,673	26,719,411
Total	<u>159,901,329</u>	<u>130,155,685</u>	<u>159,901,329</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 September 30, 2015	As at December 31, 2014	As at September 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	(11,098,871)	(7,678,230)	(11,098,871)	(7,678,230)
Current service costs and interest cost	30,341,253	25,295,121	30,341,253	25,295,121
Actuarial gain	-	(11,709,142)	-	(11,709,142)
Retirement benefits				
at the ending of the period/year	<u>122,678,656</u>	<u>103,436,274</u>	<u>122,678,656</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 September 30, are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current service costs	9,413,277	5,447,224	9,413,277	5,447,224
Interest cost	661,342	704,198	661,342	704,198
Total	<u>10,074,619</u>	<u>6,151,422</u>	<u>10,074,619</u>	<u>6,151,422</u>

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

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current service costs	28,266,500	16,928,577	28,266,500	16,928,577
Interest cost	2,074,753	2,317,288	2,074,753	2,317,288
Total	<u>30,341,253</u>	<u>19,245,865</u>	<u>30,341,253</u>	<u>19,245,865</u>

Principal actuarial assumptions are as follows:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2015 Percent per annum	As at December 31, 2014 Percent per annum	As at September 30, 2015 Percent per annum	As at December 31, 2014 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:

	Consolidated financial statements		Separate financial statements	
	As at September 30, 2015	As at December 31, 2014	As at September 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	10,503,262	15,198,604	10,503,262	15,198,604
<u>Less</u> Benefits paid	-	(98,300)	-	(98,300)
Other long-term benefit				
- Pilot saving fund at the ending of the period/year	<u>37,222,673</u>	<u>26,719,411</u>	<u>37,222,673</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 in May 2014.

## 19. OTHER INCOME - OTHERS

Other income - others consist of:

	UNIT : BAHT			
	For the three-month periods ended September 30,			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Gain on exchange rate	136,795,351	-	133,989,891	-
Others (see Note 21.2)	75,121,543	10,760,258	75,120,596	10,804,708
Total	<u>211,916,894</u>	<u>10,760,258</u>	<u>209,110,487</u>	<u>10,804,708</u>

	UNIT : BAHT			
	For the nine-month periods ended September 30,			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Gain on exchange rate	211,487,227	-	204,325,330	-
Others (See Note 21.3)	116,118,023	27,700,743	116,116,406	27,700,743
Total	<u>327,605,250</u>	<u>27,700,743</u>	<u>320,441,736</u>	<u>27,700,743</u>

## 20. 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 September 30,	6,932,558	5,458,639	6,932,558	5,458,639
For the nine-month periods ended September 30,	20,932,314	15,836,967	20,932,314	15,836,967



## 21. 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 September 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.
Pueannammitr 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 Engtrakul*	-	Director
Mr. Apichart Chirabandhu	-	Member of Audit Committee Director

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

21.1 Balances with related parties are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
<b>Trade receivables - related parties</b> (see Note 6.1)				
Thai Airways International PLC.	22,135	136,800	22,135	136,800
Thai Smile Airways Co., Ltd.	2,007,729	1,272,219	2,007,729	1,272,219
Dhipaya Insurance PLC.	1,747,099	-	1,747,099	-
NokScoot Airlines Co., Ltd.	-	-	2,196,205	-
Total	<u>3,776,963</u>	<u>1,409,019</u>	<u>5,973,168</u>	<u>1,409,019</u>
<b>Accrued income - related parties</b> (see Note 6.1)				
Thai Airways International PLC.	822	-	822	-
Thai Smile Airways Co., Ltd.	1,702,677	-	1,702,677	-
Dhipaya Insurance PLC.	1,904,673	-	1,904,673	-
NokScoot Airlines Co., Ltd.	-	-	11,817,122	2,181,345
Total	<u>3,608,172</u>	<u>-</u>	<u>15,425,294</u>	<u>2,181,345</u>

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
<b>Accrued interest income</b>				
- related party (see Note 6.1)				
Nok Mangkang Co., Ltd.	-	-	13,868,671	1,616,027
<b>Advance payments - related parties</b>				
(see Note 6.1)				
NokScoot Airlines Co., Ltd.	-	-	-	6,370,477
Nok Mangkang Co., Ltd.	-	-	407,253	96,857
Nok Holidays Co., Ltd.	-	-	664,472	-
Total	-	-	1,071,725	6,467,334
<b>Long-term loans to a related party</b>				
(see Note 11)				
Nok Mangkang Co., Ltd.	-	-	970,000,000	725,000,000
<b>Trade payables - related parties</b>				
(see Note 15)				
Thai Airways International PLC.	125,547,947	62,015,311	125,547,947	62,015,311
Thai Smile Airways Co., Ltd.	513,843	-	513,843	-
Donmuang International Airport Hotel Co., Ltd.	54,436	27,479	54,436	27,479
Thai Flight Training Co., Ltd.	305,522	1,360	305,522	1,360
NokScoot Airlines Co., Ltd.	-	-	109,189	1,905,800
Total	126,421,748	62,044,150	126,530,937	63,949,950
<b>Other payables - related party</b>				
(see Note 11)				
Dhipaya Insurance PLC	5,158,330	-	5,158,330	-

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

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<b>Passenger revenues</b>				
Thai Airways International PLC.	19,752	101,897	19,752	101,897
Thai Smile Airways Co., Ltd.	395,069	15,402	395,069	15,402
Total	414,821	117,299	414,821	117,299
<b>Service revenues</b>				
Thai Airways International PLC.	1,645	-	1,645	-
Thai Smile Airways Co., Ltd.	5,943,419	5,617,024	5,943,419	5,617,024
NokScoot Airlines Co., Ltd.	-	-	14,116,015	-
Total	5,945,064	5,617,024	20,061,079	5,617,024
<b>Others income - other service fee</b>				
Dhipaya Insurance PLC.	6,131,585	-	6,131,585	-

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Others income - interest income</b>				
Nok Mangkang Co., Ltd.	-	-	4,351,978	360,959

Passenger revenues and service revenues are determined based on cost plus margin as stipulated in the agreements. Other service fee income and interest income are determined based on rate as stipulated in the agreements.

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Costs of passengers and services</b>				
Thai Airways International PLC.	30,097,306	17,690,982	30,097,306	17,690,982
Thai Smile Airways Co., Ltd.	481,404	-	481,404	-
Donmuang International Airport Hotel Co., Ltd.	258,397	448,755	258,397	448,755
Thai Flight Training Co., Ltd.	620,579	-	620,579	-
Siam Premier International Law Office Limited	363,770	-	363,770	-
NokScoot Airlines Co., Ltd.	-	-	498,772	2,011,815
Total	<u>31,821,456</u>	<u>18,139,737</u>	<u>32,320,228</u>	<u>20,151,552</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 September 30, are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	8,383,742	8,462,850	8,228,520	8,462,850
Post-employment benefits	752,202	219,142	752,202	219,142
Total	<u>9,135,944</u>	<u>8,681,992</u>	<u>8,980,722</u>	<u>8,681,992</u>

21.3 Transactions with related parties for the nine-month periods ended September 30, are summarized as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Passenger revenues</b>				
Thai Airways International PLC.	44,098	562,022	44,098	562,022
Thai Smile Airways Co., Ltd.	765,709	15,402	765,709	15,402
Total	<u>809,807</u>	<u>577,424</u>	<u>809,807</u>	<u>577,424</u>
<b>Service revenues</b>				
Thai Airways International PLC.	7,723	3,746,863	7,723	3,746,863
Thai Smile Airways Co., Ltd.	15,881,189	8,677,623	15,881,189	8,677,623
NokScoot Airlines Co., Ltd.	-	-	23,513,284	-
Total	<u>15,888,912</u>	<u>12,424,486</u>	<u>39,402,196</u>	<u>12,424,486</u>

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Others income - other service fee</b>				
Dhipaya Insurance PLC.	21,226,964	-	21,226,964	-
<b>Others revenues - interest income</b>				
Nok Mangkang Co., Ltd.	-	-	12,252,644	360,959

Passenger revenues and service revenues are determined based on cost plus margin as stipulated in the agreements. Other service fee income and interest income are determined based on rate as stipulated in the agreements.

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
<b>Costs of passengers and services</b>				
Thai Airways International PLC.	106,901,441	43,804,542	106,901,441	43,804,542
Thai Smile Airways Co., Ltd.	481,404	-	481,404	-
Donmuang International				
Airport Hotel Co., Ltd.	1,365,309	1,521,638	1,365,309	1,521,638
Thai Flight Training Co., Ltd.	2,539,756	-	2,539,756	-
Siam Premier International Law				
Office Limited	1,197,720	-	1,197,720	-
NokScoot Airlines Co., Ltd.	-	-	498,772	2,011,815
Total	112,485,630	45,326,180	112,984,402	47,337,995

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

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

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Short-term employee benefits	27,161,716	26,717,648	26,801,340	26,717,648
Post-employment benefits	2,256,608	722,942	2,256,608	722,942
Total	29,418,324	27,440,590	29,057,948	27,440,590

## 22. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

### 22.1 Acquisition of aircrafts

As at September 30, 2015 and December 31, 2014, the Company has commitments for acquisition of aircrafts to be paid in the future of USD 175.14 million and USD 227.61 million, respectively.

## 22.2 Aircraft lease agreement

As at September 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 September 30, 2015

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	96,744,083	368,581,723	255,369,592	720,695,398

#### 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 September 30, 2015

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	83,648,833	303,907,223	255,369,592	642,925,648

#### 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 financial statements		Separate financial statements	
	2015	2014	2015	2014
For the three-month periods ended September 30,	790.84	488.85	671.60	465.75
For the nine-month periods ended September 30,	2,254.13	1,323.27	1,915.59	1,300.16

## 22.3 Other lease and service agreements

As at September 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
<b>Lease Agreements</b>	
Office rental and service	1-3 years
Vehicle rental	1-5 years
Equipment rental	1-4 years
<b>Service Agreements</b>	
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 and service fee under the agreements to be paid in the future are as follows:

### Consolidated financial statements

As at September 30, 2015

Agreements	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
<b>Lease and Rental Agreements</b>					
Office rental and service	THB	45,640,630	28,559,853	-	74,200,483
Vehicle rental	THB	3,791,491	3,884,481	-	7,675,972
Equipment rental	THB	1,002,778	1,044,314	-	2,047,092
<b>Service Agreements</b>					
Aircraft maintenance	USD	34,344,447	105,151,788	-	139,496,235
Aircraft maintenance	SGD	861,900	2,729,350	-	3,591,250
Ticket reservation system	USD	2,492,389	7,789,925	2,709,776	12,992,090
Call center service	THB	38,282,400	11,520,000	-	49,802,400

**As at December 31, 2014**

Agreements	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
<b>Lease and Rental Agreements</b>					
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
<b>Service Agreements</b>					
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 September 30, 2015**

Agreements	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
<b>Lease and Rental Agreements</b>					
Office rental and service	THB	42,557,971	26,537,703	-	69,095,674
Vehicle rental	THB	3,561,655	3,578,033	-	7,139,688
Equipment rental	THB	883,366	805,490	-	1,688,856
<b>Service Agreements</b>					
Aircraft maintenance	USD	16,415,860	47,879,911	-	64,295,771
Ticket reservation system	USD	1,450,400	7,187,425	2,709,776	11,347,601
Call center service	THB	24,458,400	-	-	24,458,400

**As at December 31, 2014**

Agreements	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
<b>Lease and Rental Agreements</b>					
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
<b>Service Agreements</b>					
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		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
For the three-month periods ended September 30,	123.76	12.56	14.99	10.90
For the nine-month periods ended September 30,	291.25	29.32	38.86	27.65

#### 22.4 Bank guarantees

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

	Currency	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2015	2014	2015	2014
General guarantee	THB	58,549,242	54,154,724	53,256,242	47,661,724
General guarantee	USD	20,000	20,000	-	-
General guarantee	SGD	649,000	-	-	-
Aircraft leasing guaranteed by Standby					
Letter of Credit	USD	39,749,743	32,716,071	38,680,743	31,647,071

Above guarantees of the Company are unsecured guarantees.

As at September 30, 2015, the letters of guarantee of a subsidiary are guaranteed by the subsidiary's saving deposits account of a subsidiary of Baht 58.27 million which is presented as deposit at bank pledged as collateral in the consolidated statement of financial position.



## 23. 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
<b>Statement of profit or loss and other comprehensive income for the three-month period ended September 30, 2015</b>			
Revenues			
Passenger revenues	2,347,917,681	470,697,627	2,818,615,308
Service revenues	226,305,625	90,421,180	316,726,805
Other income			
Interest income	8,939,112	-	8,939,112
Others	210,100,428	1,816,466	211,916,894
Total Revenues	<u>2,793,262,846</u>	<u>562,935,273</u>	<u>3,356,198,119</u>
Expenses			
Costs of passengers and services	(2,879,932,665)	(836,146,312)	(3,716,078,977)
Selling expenses	(72,048,317)	(11,211,271)	(83,259,588)
Administrative expenses	(105,778,281)	(103,820,321)	(209,598,602)
Total Expenses	<u>(3,057,759,263)</u>	<u>(951,177,904)</u>	<u>(4,008,937,167)</u>
Loss before income tax expense	(264,496,417)	(388,242,631)	(652,739,048)
Income tax revenue	107,542	10,940	118,482
Loss for the periods	<u>(264,388,875)</u>	<u>(388,231,691)</u>	<u>(652,620,566)</u>
Total comprehensive loss for the periods	<u>(264,388,875)</u>	<u>(388,231,691)</u>	<u>(652,620,566)</u>

	UNIT : BAHT		
	Consolidated financial statements		
	Domestic services	International services	Total
<b>Statement of profit or loss and other comprehensive income for the nine-month period ended September 30, 2015</b>			
Revenues			
Passenger revenues	8,120,669,265	1,049,208,677	9,169,877,942
Service revenues	649,611,987	118,893,374	768,505,361
Other income			
Interest income	34,088,802	-	34,088,802
Others	322,160,196	5,445,054	327,605,250
Total Revenues	<u>9,126,530,250</u>	<u>1,173,547,105</u>	<u>10,300,077,355</u>
Expenses			
Costs of passengers and services	(8,829,602,066)	(2,010,391,406)	(10,839,993,472)
Selling expenses	(159,278,842)	(24,912,397)	(184,191,239)
Administrative expenses	(334,181,819)	(217,217,680)	(551,399,499)
Total Expenses	<u>(9,323,062,727)</u>	<u>(2,252,521,483)</u>	<u>(11,575,584,210)</u>
Loss before income tax expense	(196,532,477)	(1,078,974,378)	(1,275,506,855)
Income tax revenue	251,210	18,286	269,496
Loss for the periods	<u>(196,281,267)</u>	<u>(1,078,956,092)</u>	<u>(1,275,237,359)</u>
Total comprehensive loss for the periods	<u>(196,281,267)</u>	<u>(1,078,956,092)</u>	<u>(1,275,237,359)</u>

### Statement of financial position as at September 30, 2015

Segment assets	5,440,818,646	1,023,406,841	6,464,225,487
Segment liabilities	2,620,289,007	514,819,963	3,135,108,970

UNIT : BAHT

	<b>Consolidated financial statements</b>		
	<b>Domestic services</b>	<b>International services</b>	<b>Total</b>
<b>Statement of profit or loss and other comprehensive income for three-month period ended September 30, 2014</b>			
Revenues			
Passenger revenues	2,455,940,402	67,174,741	2,523,115,143
Service revenues	180,954,277	9,681,917	190,636,194
Other income			
Interest income	19,414,821	-	19,414,821
Others	10,126,262	633,996	10,760,258
Total Revenues	<u>2,666,435,762</u>	<u>77,490,654</u>	<u>2,743,926,416</u>
Expenses			
Costs of passenger and services	(2,848,478,035)	(88,241,267)	(2,936,719,302)
Selling expenses	(89,714,868)	(3,087,125)	(92,801,993)
Administrative expenses	(139,369,490)	(5,348,143)	(144,717,633)
Finance costs	(976,635)	(26,225)	(1,002,860)
Total Expenses	<u>(3,078,539,028)</u>	<u>(96,702,760)</u>	<u>(3,175,241,788)</u>
Loss before income tax expense	(412,103,266)	(19,212,106)	(431,315,372)
Income tax expenses	33,098	1,140	34,238
Loss for the periods	<u>(412,070,168)</u>	<u>(19,210,966)</u>	<u>(431,281,134)</u>
Total comprehensive loss for the periods	<u>(412,070,168)</u>	<u>(19,210,966)</u>	<u>(431,281,134)</u>

UNIT : BAHT

	<b>Consolidated financial statements</b>		
	<b>Domestic services</b>	<b>International services</b>	<b>Total</b>
<b>Statement of profit or loss and other comprehensive income for the nine-month period ended September 30, 2014</b>			
Revenues			
Passenger revenues	7,827,654,617	184,617,189	8,012,271,806
Service revenues	512,946,677	19,772,211	532,718,888
Other income			
Interest income	88,077,333	-	88,077,333
Others	27,700,168	575	27,700,743
Total Revenues	<u>8,456,378,795</u>	<u>204,389,975</u>	<u>8,660,768,770</u>
Expenses			
Costs of passenger and services	(8,355,374,405)	(251,849,708)	(8,607,224,113)
Selling expenses	(227,672,444)	(6,230,194)	(233,902,638)
Administrative expenses	(354,112,319)	(13,523,296)	(367,635,615)
Finance costs	(2,219,515)	(53,534)	(2,273,049)
Total Expenses	<u>(8,939,378,683)</u>	<u>(271,656,732)</u>	<u>(9,211,035,415)</u>
Loss before income tax expense	(482,999,888)	(67,266,757)	(550,266,645)
Income tax expense	192,335	4,639	196,974
Loss for the periods	<u>(482,807,553)</u>	<u>(67,262,118)</u>	<u>(550,069,671)</u>
Total comprehensive loss for the periods	<u>(482,807,553)</u>	<u>(67,262,118)</u>	<u>(550,069,671)</u>
<b>Statement of financial position as at September 30, 2014</b>			
Segment assets	5,539,386,678	183,324,271	5,722,710,949
Segment liabilities	1,866,550,242	55,152,451	1,921,702,693

## 24. INVESTMENT PROMOTION RIGHTS AND PRIVILEGES

The Company and subsidiary have 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 and subsidiary shall follow the conditions laid out in the investment promotion certificate.

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

<b>Date of certificate</b>	<b>Certificate number</b>	<b>Revenue commenced date</b>	<b>Expiry date</b>
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 September 30, 2015, the subsidiary's investment promotion certificates are as follows:

<b>Date of certificate</b>	<b>Certificate number</b>	<b>Revenue commenced date</b>	<b>Expiry date</b>
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 and subsidiary 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.

## 25. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

### 25.1 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 and subsidiaries. The Company and subsidiaries may have concentration of risks from its receivables. However, the Company and subsidiaries do 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 maximum exposure to credit risk.

### 25.2 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 and subsidiaries 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 and subsidiaries as the Company and subsidiaries have no significant investments in debt securities and borrowings.

### 25.3 Exchange rate risk

Exchange rate risk arises from the potential for a change in exchange rate to have an adverse effect on the Company and subsidiaries 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:

Currency	Contract amounts		Currency	Deliverable amount		Fair value	
	As at September 30, 2015	As at December 31, 2014		As at September 30, 2015	As at December 31, 2014	As at September 30, 2015	As at December 31, 2014
USD	11,523,908	5,000,000	THB	413,517,272	164,681,600	420,152,511	165,694,642

### 25.4 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 September 30, 2015 and December 31, 2014, the Company has the obligations for payments of aircraft fuel under fuel fixed-price contracts of USD 20.68 million and USD 16.46 million, respectively.

## 25.5 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.

## 26. 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 September 30, 2015.

The consolidated and separate statements of profit and loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2014 have been reclassified to conform to the classifications used in the consolidated and separate statements of profit and loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2015 as follows;

The consolidated and separate statement of profit and loss and other comprehensive income for the three-month period ended September 30, 2014

<b>Accounts</b>	<b>Amount (Baht)</b>	<b>Previous classifications</b>	<b>Current classifications</b>
Insurance premium received from customers for insurance companies	25,961,611	Inclusively presented In service revenues	To present net with costs of passenger and services
Insurance premium received from customers for insurance companies	25,961,611	Inclusively presented in costs of passenger and services	To present net with service revenues
Other service fee income	10,735,857	Service revenues	Other income - others
Bank charge	2,035,181	Administrative expenses	Costs of passenger and services

The consolidated and separate statement of profit and loss and other comprehensive income for the nine-month period ended September 30, 2014

Accounts	Amount (Baht)	Previous classifications	Current classifications
Insurance premium received from customers for insurance companies	72,586,633	Inclusively presented in service revenues	To present net with costs of passenger and services
Insurance premium received from customers for insurance companies	72,586,633	Inclusively presented in costs of passenger and services	To present net with service revenues
Other service fee income	27,676,342	Service revenues	Other income - others
Bank charge	5,161,107	Administrative expenses	Costs of passenger and services

## 27. EVENT AFTER THE REPORTING PERIOD

On October 15, 2015, the Board of Directors meeting of the Company approved the Company to invest in Air Black Box Asia Pacific Pte Ltd., a company incorporated in Singapore, operates in platform for airline reservation systems with the register capital of USD 4 million, in the portion of 25% of its registered capital. Subsequently, on October 25, 2015, the Company entered into joint venture agreement and related transaction documents in the Air Black Box Asia Pacific Pte Ltd. with Scoot Pte Ltd. and TOD Holdings Co., Ltd. which held by the Company, Scoot Pte Ltd. and TOD Holdings Co., Ltd. in the portion of 25%, 25% and 50%, respectively.

## 28. APPROVAL OF FINANCIAL STATEMENTS

The interim financial statement has been approved for issue by the Company's Board of Directors on November 12, 2015.

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

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