

**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 March 31, 2016, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity, and cash flows for the three-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  
May 13, 2016**

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 MARCH 31, 2016**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		March 31, 2016 “Unaudited”	December 31, 2015	March 31, 2016 “Unaudited”	December 31, 2015
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4.1	3,308,094,598	4,213,756,405	1,972,894,124	3,480,327,664
Temporary investments	5	516,044,000	316,044,000	500,000,000	300,000,000
Trade and other receivables	6	1,751,081,738	1,119,766,574	1,363,624,880	727,699,665
Inventories		22,134,572	20,557,272	22,134,572	20,557,272
Refundable value-added tax		211,148,035	262,664,437	142,047,155	95,245,369
Short-term aircraft deposits and prepayments	7	104,341,324	146,332,699	104,341,324	146,332,699
Other current assets		70,991,261	59,452,023	56,142,389	50,426,980
Total Current Assets		<u>5,983,835,528</u>	<u>6,138,573,410</u>	<u>4,161,184,444</u>	<u>4,820,589,649</u>
<b>NON-CURRENT ASSETS</b>					
Deposits at bank pledged as collateral	21.4	61,543,000	61,543,000	-	-
Investments in subsidiaries	8	-	-	4,949,000	4,949,000
Investments in joint venture	9	29,255,425	34,749,000	34,749,000	34,749,000
Other long-term investments	10	48,089,500	48,089,500	48,089,500	48,089,500
Long-term loans to a related party	11 and 20.1	-	-	970,000,000	970,000,000
Leasehold improvements and equipment	12	278,798,296	285,690,969	268,788,199	274,636,432
Intangible assets	13	75,407,030	48,322,800	69,556,655	41,992,053
Deferred tax assets	14	12,590,200	13,159,296	12,590,200	13,159,296
Long-term aircraft deposits and prepayments	7	455,321,637	466,388,252	399,085,449	408,785,241
Other non-current assets		15,062,169	13,707,860	30,817,258	26,493,713
Total Non-Current Assets		<u>976,067,257</u>	<u>971,650,677</u>	<u>1,838,625,261</u>	<u>1,822,854,235</u>
<b>TOTAL ASSETS</b>		<u><u>6,959,902,785</u></u>	<u><u>7,110,224,087</u></u>	<u><u>5,999,809,705</u></u>	<u><u>6,643,443,884</u></u>

See the condensed notes to the financial statements

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

.....  
(Mr. Montree Jumrieng)  
Director

**NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT MARCH 31, 2016**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		March 31,	December 31,	March 31,	December 31,
		2016	2015	2016	2015
		“Unaudited”		“Unaudited”	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term borrowing from a financial institution	15	-	520,000,000	-	520,000,000
Trade and other payables	16	3,740,668,772	2,934,203,103	2,293,464,345	2,042,770,648
Deferred income from					
customer loyalty programmes		20,381,635	55,629,054	20,381,635	55,629,054
Short-term provisions for aircraft maintenance	17	137,450,123	133,908,652	111,886,980	113,497,382
Withholding tax payable		19,100,428	22,242,000	18,410,776	18,008,320
Other current liabilities		30,225,315	15,667,612	1,650,982	4,580,823
Total Current Liabilities		<u>3,947,826,273</u>	<u>3,681,650,421</u>	<u>2,445,794,718</u>	<u>2,754,486,227</u>
<b>NON-CURRENT LIABILITIES</b>					
Long-term provisions for aircraft maintenance	17	344,897,010	299,954,009	335,097,805	292,725,018
Employee benefit obligations	18	180,948,475	176,342,966	172,247,732	169,493,565
Other non-current liabilities		10,120,234	10,214,834	10,120,234	10,214,834
Total Non-Current Liabilities		<u>535,965,719</u>	<u>486,511,809</u>	<u>517,465,771</u>	<u>472,433,417</u>
<b>TOTAL LIABILITIES</b>		<u>4,483,791,992</u>	<u>4,168,162,230</u>	<u>2,963,260,489</u>	<u>3,226,919,644</u>

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

.....  
(Mr. Montree Jumrieng)  
Director

**NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
**AS AT MARCH 31, 2016**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		March 31, 2016 “Unaudited”	December 31, 2015	March 31, 2016 “Unaudited”	December 31, 2015
<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
625,000,000 ordinary shares of Baht 1.00 each					
Issued and paid-up share capital					
		625,000,000	625,000,000	625,000,000	625,000,000
625,000,000 ordinary shares of Baht 1.00 each, fully paid					
SHARE PREMIUM ACCOUNT					
		3,042,485,943	3,042,485,943	3,042,485,943	3,042,485,943
- ORINARY SHARES					
RETAINED EARNINGS (LOSS)					
Appropriated					
		62,500,000	62,500,000	62,500,000	62,500,000
Legal reserve					
		(1,082,648,145)	(676,824,655)	(693,436,727)	(313,461,703)
Unappropriated					
Deficit from change in shareholding					
		(5,940,185)	(5,940,185)	-	-
in a subsidiary					
		2,641,397,613	3,047,221,103	3,036,549,216	3,416,524,240
Total owners of the parent					
		(165,286,820)	(105,159,246)	-	-
Non-controlling interests					
		2,476,110,793	2,942,061,857	3,036,549,216	3,416,524,240
TOTAL SHAREHOLDERS' EQUITY					
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>					
		6,959,902,785	7,110,224,087	5,999,809,705	6,643,443,884

See the condensed notes to the financial statements

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

.....  
(Mr. Montree Jumrieng)  
Director

**NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>REVENUES</b>					
Passenger revenues		3,593,701,809	3,352,079,301	3,037,522,425	3,202,526,941
Service revenues		492,142,260	208,958,996	208,181,667	210,107,990
Other income					
Interest income		12,019,647	12,006,887	14,966,013	15,577,366
Others	19	123,241,846	24,065,465	120,713,840	23,739,684
Total Revenue		<u>4,221,105,562</u>	<u>3,597,110,649</u>	<u>3,381,383,945</u>	<u>3,451,951,981</u>
<b>EXPENSES</b>					
Costs of passenger and services		4,398,393,611	3,521,869,053	3,554,902,775	3,217,667,933
Selling expenses		40,362,582	51,677,965	30,815,398	41,920,996
Administrative expenses		191,351,054	182,974,043	125,249,523	131,509,971
Finance costs		50,886,708	5,284,486	49,822,177	5,284,486
Total Expenses		<u>4,680,993,955</u>	<u>3,761,805,547</u>	<u>3,760,789,873</u>	<u>3,396,383,386</u>
<b>SHARE OF LOSS ON INVESTMENTS IN</b>					
<b>JOINT VENTURE</b>	9	<u>(5,493,575)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		<u>(465,381,968)</u>	<u>(164,694,898)</u>	<u>(379,405,928)</u>	<u>55,568,595</u>
<b>INCOME TAX EXPENSES (REVENUE)</b>	14	<u>569,096</u>	<u>(73,964)</u>	<u>569,096</u>	<u>(73,964)</u>
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<u>(465,951,064)</u>	<u>(164,620,934)</u>	<u>(379,975,024)</u>	<u>55,642,559</u>
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>(LOSS) FOR THE PERIOD</b>		<u>(465,951,064)</u>	<u>(164,620,934)</u>	<u>(379,975,024)</u>	<u>55,642,559</u>
<b>PROFIT (LOSS) ATTRIBUTABLE TO</b>					
Owners of the parent		<u>(405,823,490)</u>	<u>1,786,758</u>	<u>(379,975,024)</u>	<u>55,642,559</u>
Non-controlling interests		<u>(60,127,574)</u>	<u>(166,407,692)</u>	<u>-</u>	<u>-</u>
		<u>(465,951,064)</u>	<u>(164,620,934)</u>	<u>(379,975,024)</u>	<u>55,642,559</u>
<b>BASIC EARNINGS (LOSS) PER SHARE (BAHT)</b>		(0.65)	0.01	(0.61)	0.09
<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)

.....  
(Mr. Montree Jumrieng)

Director and Chief Executive Officer

Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016  
“UNAUDITED”

UNIT : BAHT

	Consolidated financial statements							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	Non-controlling interests	
			Retained earnings (loss) 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 three-month period ended March 31, 2015								
Increase in share capital of a subsidiary	-	-	-	-	-	-	245,000,000	245,000,000
Total comprehensive income (loss) for the period	-	-	-	1,786,758	-	1,786,758	(166,407,692)	(164,620,934)
<b>Balances as of March 31, 2015</b>	<b>625,000,000</b>	<b>3,042,485,943</b>	<b>62,500,000</b>	<b>48,863,523</b>	<b>(5,940,185)</b>	<b>3,772,909,281</b>	<b>656,823,661</b>	<b>4,429,732,942</b>

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

.....  
(Mr. Montree Jumrieng)  
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016  
“UNAUDITED”

UNIT : BAHT

	Consolidated financial statements							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	Non-controlling interests	
			Retained earnings (loss) Appropriated Legal reserve	Unappropriated				
Balances as of January 1, 2016	625,000,000	3,042,485,943	62,500,000	(676,824,655)	(5,940,185)	3,047,221,103	(105,159,246)	2,942,061,857
Changes in shareholders' equity for the three-month period ended March 31, 2016								
Total comprehensive loss for the period	-	-	-	(405,823,490)	-	(405,823,490)	(60,127,574)	(465,951,064)
<b>Balances as of March 31, 2016</b>	<b>625,000,000</b>	<b>3,042,485,943</b>	<b>62,500,000</b>	<b>(1,082,648,145)</b>	<b>(5,940,185)</b>	<b>2,641,397,613</b>	<b>(165,286,820)</b>	<b>2,476,110,793</b>

See the condensed notes to the financial statements

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

.....  
(Mr. Montree Jumrieng)  
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016  
“UNAUDITED”

UNIT : BAHT

	Separate financial statements				Total shareholders' equity
	Issued and paid-up share capital	Share premium account ordinary shares	Retained earnings (loss) Appropriated legal reserve	Unappropriated	
Balances as of January 1, 2015	625,000,000	3,042,485,943	62,500,000	108,279,874	3,838,265,817
Changes in shareholders' equity for the three-month period ended March 31, 2015					
Total comprehensive income for the period	-	-	-	55,642,559	55,642,559
<b>Balances as of March 31, 2015</b>	<u>625,000,000</u>	<u>3,042,485,943</u>	<u>62,500,000</u>	<u>163,922,433</u>	<u>3,893,908,376</u>

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

.....  
(Mr. Montree Jumrieng)  
Director

NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016  
“UNAUDITED”

UNIT : BAHT

	Separate financial statements				Total shareholders' equity
	Issued and paid-up share capital	Share premium account ordinary shares	Retained earnings (loss) Appropriated legal reserve	Unappropriated	
Balances as of January 1, 2016	625,000,000	3,042,485,943	62,500,000	(313,461,703)	3,416,524,240
Changes in shareholders' equity for the three-month period ended March 31, 2016					
Total comprehensive loss for the period	-	-	-	(379,975,024)	(379,975,024)
<b>Balances as of March 31, 2016</b>	<u>625,000,000</u>	<u>3,042,485,943</u>	<u>62,500,000</u>	<u>(693,436,727)</u>	<u>3,036,549,216</u>

See the condensed notes to the financial statements

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

.....  
(Mr. Montree Jumrieng)  
Director

**NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENT OF CASH FLOWS**

**FOR THE THREE-MONTH ENDED MARCH 31, 2016**

**“UNAUDITED”**

**UNIT : BAHT**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit (loss) before income tax		(465,381,968)	(164,694,898)	(379,405,928)	55,568,595
Adjustments for:					
Depreciation		17,073,475	14,158,500	15,724,241	13,564,987
Amortization		5,610,331	5,020,050	5,106,558	4,746,594
Loss on disposals and write-off of equipment		28,451	50,176	28,451	50,176
Unrealized loss on exchange rate		16,249,693	28,908,683	2,028,087	28,698,113
Reversal of allowance for doubtful accounts		(882,569)	(1,012,059)	(882,569)	(1,012,059)
Provision for aircraft maintenance recognized as expenses		72,806,247	52,979,435	65,084,161	64,742,900
Deferred income from customer loyalty programmes recognized during the period (reversal)		(35,247,419)	6,320,034	(35,247,419)	6,320,034
Employee benefit expenses		8,953,123	12,573,517	7,101,781	12,573,517
Interest income		(12,019,647)	(12,006,887)	(14,966,013)	(15,577,366)
Interest expense		7,074,217	5,284,486	6,009,686	5,284,486
Share of loss on investments in joint venture		5,493,575	-	-	-
Operating profit (loss) before changes in operating assets and liabilities		(380,242,491)	(52,418,963)	(329,418,964)	174,959,977
Operating assets (increase) decrease					
Trade and other receivables		(641,264,816)	(149,537,915)	(640,656,744)	(114,463,352)
Inventories		(1,577,300)	1,311,930	(1,577,300)	1,311,930
Refundable value-added tax		51,516,402	(76,755,393)	(46,801,786)	46,252,073
Short-term aircraft deposits and prepayments		39,399,676	(54,254,683)	39,399,676	(67,946,664)
Other current assets		(7,493,082)	(3,925,842)	(1,669,253)	(1,340,323)
Deposits at bank pledged as collateral		-	(41,393,000)	-	-
Long-term aircraft deposits and prepayments		4,863,272	118,087,820	(212,958)	135,982,919
Other non-current assets		(1,354,309)	(148,902)	(4,323,545)	(244,197)

.....  
(Mr. Patee Sarasin)

Director and Chief Executive Officer

.....  
(Mr. Montree Jumrieng)

Director

**NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE-MONTH ENDED MARCH 31, 2016**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
(CONTINUED)					
Operating liabilities increase (decrease)					
Trade and other payables		813,592,285	157,750,508	263,328,731	59,488,746
Aircraft maintenance paid		(14,901,310)	(27,431,431)	(14,901,310)	(27,431,431)
Withholding tax payable		(3,141,572)	(1,388,069)	402,456	(3,764,937)
Other current liabilities		14,557,704	1,652,621	(2,929,841)	3,746,971
Employee benefit paid		(4,347,614)	(1,640,711)	(4,347,614)	(1,640,711)
Other non-current liabilities		(94,600)	200,752	(94,600)	200,752
Cash received (paid) from operations		(130,487,755)	(129,891,278)	(743,803,052)	205,111,753
Income tax paid		(4,046,156)	(3,610,097)	(4,046,156)	(1,311,419)
Net cash provided by (used in) operating activities		(134,533,911)	(133,501,375)	(747,849,208)	203,800,334
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Cash received from temporary investments		-	300,000,000	-	300,000,000
Cash paid for temporary investments		(200,000,000)	-	(200,000,000)	-
Cash paid for long-term loans to a related party		-	-	-	(245,000,000)
Cash paid for acquisition of equipment and intangible assets	4.2	(42,937,258)	(21,677,613)	(41,730,447)	(16,421,898)
Cash received from interest income		14,222,752	13,495,304	12,306,965	13,495,304
Net cash provided by (used in) investing activities		(228,714,506)	291,817,691	(229,423,482)	52,073,406

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

.....  
(Mr. Montree Jumrieng)  
Director

**NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE-MONTH ENDED MARCH 31, 2016**  
**“UNAUDITED”**

UNIT : BAHT

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Cash paid for interest expense		(8,148,640)	(5,284,486)	(7,084,110)	(5,284,486)
Cash paid for short-term loans from a financial institution		(520,000,000)	-	(520,000,000)	-
Cash received from share subscriptions of the subsidiaries from non-controlling interests		-	245,000,000	-	-
Net cash provided by (used in) financing activities		(528,148,640)	239,715,514	(527,084,110)	(5,284,486)
<b>EFFECT FROM FOREIGN EXCHANGE RATE</b>					
<b>IN CASH AND CASH EQUIVALENTS</b>					
		(14,264,750)	(2,078,117)	(3,076,740)	(2,078,117)
Net increase (decrease) in cash and cash equivalents		(905,661,807)	395,953,713	(1,507,433,540)	248,511,137
Cash and cash equivalents as at January 1,		4,213,756,405	2,926,607,844	3,480,327,664	1,752,503,995
<b>Cash and cash equivalents as at March 31,</b>	4.1	<u>3,308,094,598</u>	<u>3,322,561,557</u>	<u>1,972,894,124</u>	<u>2,001,015,132</u>

See the condensed notes to the financial statements

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

.....  
(Mr. Montree Jumrieng)  
Director

**NOK AIRLINES PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
CONDENSED NOTES TO THE FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016  
“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 March 31, 2016 and December 31, 2015, 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**

**1.2.1** Nok Holidays Company Limited was incorporated as a limited company under Thai laws on April 4, 2014. The registered office is located at 3 Rajanakarn Building, 17<sup>th</sup> Fl., South Sathorn Road, Yannawa, Sathorn, Bangkok, 10120, and its principal activity is to provide tourism and other relevant business.

1.2.2 Nok Mangkang Company Limited was incorporated as a limited company under Thai laws on June 13, 2014. The registered office is located at 3 Rajanakarn Building, 17th Fl., South Sathorn Road, Yannawa, Sathorn, Bangkok, 10120, and its principal activity is to provide air transport service for passengers, parcel and parcel post.

1.2.3 NokScoot Airlines Company Limited was incorporated as a limited company under Thai laws on October 30, 2013. The registered office is located at 999/9 The Offices at Central World Building, 26th Fl., Rama 1 Road, Pathumwan, Pathumwan, Bangkok, and its principal activity is to provide air transport service for passengers, parcel and parcel post.

## **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 2015) “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, 2015, 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 periods ended March 31, 2016, 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. Accordingly, the interim financial statements for the three-month period ended March 31, 2016, should be read in conjunction with the audited financial statements for the year ended December 31, 2015.
- 2.5 The consolidated interim financial information included accounting records of the Company and subsidiaries since the Company has control both directly and indirectly over the subsidiaries’ financial and operating policies to the date which the Company loses control over the subsidiaries. Significant transactions and balances between the Company and subsidiaries have been eliminated.

As at March 31, 2016, and December 31, 2015, the Company has shareholding portion in the subsidiaries as follows:

Subsidiaries	Type of business	Country of registration	Registration date	Shareholdings (%)	
				As at March 31, 2016	As at December 31, 2015
<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.	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 2015) “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 issued the Notifications regarding the Thai Financial Reporting Standards (“TFRSs”), which are 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 10 (Revised 2015)	Events after the Reporting Period
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

**Thai Accounting Standards (“TAS”) (Continued)**

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 10 (Revised 2015)	Consolidated Financial Statements
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 TAS 29 (Revised 2015) 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

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

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

The Federation of Accounting Professions issued the 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, 2017 onwards as follows:

**Guideline on Accounting**

Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities

The Company’s and its subsidiaries’ managements are in the process to assess the impact of such TFRS on the 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, 2015.

**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	As at	As at	As at
	March 31,	December 31,	March 31,	December 31,
	2016	2015	2016	2015
Cash on hand	16,350,082	24,946,981	13,765,094	23,219,600
Deposits at banks - current accounts	1,016,551,559	799,796,272	355,767,215	287,556,575
Deposits at banks - savings accounts	925,192,957	1,238,736,169	253,361,815	1,119,274,506
Certificates of deposit (interest at the rates of 1.35 % - 1.90% p.a. with maturities within 3 months)	<u>1,350,000,000</u>	<u>2,150,276,983</u>	<u>1,350,000,000</u>	<u>2,050,276,983</u>
Total	<u><u>3,308,094,598</u></u>	<u><u>4,213,756,405</u></u>	<u><u>1,972,894,124</u></u>	<u><u>3,480,327,664</u></u>

4.2 Non-cash items from purchases and increase in equipment and intangible assets for the three-month periods ended March 31 consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Payables for purchases of equipment and intangible assets brought forward	16,681,147	23,024,260	15,802,531	23,019,780
<u>Add</u> Purchases during the periods	42,903,814	16,134,546	42,575,619	10,883,311
<u>Less</u> Cash payments during the periods	<u>(42,937,258)</u>	<u>(21,677,613)</u>	<u>(41,730,447)</u>	<u>(16,421,898)</u>
Payables for purchases of equipment and intangible assets carried forward	<u><u>16,647,703</u></u>	<u><u>17,481,193</u></u>	<u><u>16,647,703</u></u>	<u><u>17,481,193</u></u>

## 5. TEMPORARY INVESTMENTS

Temporary investments consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Certificates of deposits (interest at the rate of 1.70% - 2.30% p.a. with maturities of 4-6 months)	500,000,000	300,000,000	500,000,000	300,000,000
Fixed Deposit (interest at the rate of 1.10% p.a. with maturities of 12 months)	16,044,000	16,044,000	-	-
Total	<u>516,044,000</u>	<u>316,044,000</u>	<u>500,000,000</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 March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Trade receivables - related parties (see Note 20.1)	1,750,635	4,621,262	10,568,446	7,461,073
Trade receivables - other parties	242,155,164	179,559,293	68,226,741	76,784,696
Total	<u>243,905,799</u>	<u>184,180,555</u>	<u>78,795,187</u>	<u>84,245,769</u>
<u>Less</u> Allowance for doubtful accounts	(9,055,470)	(9,938,039)	(8,472,042)	(9,354,611)
Total trade receivables	<u>234,850,329</u>	<u>174,242,516</u>	<u>70,323,145</u>	<u>74,891,158</u>
Other receivables				
Advance aircraft rental	177,334,604	185,226,371	177,334,604	165,976,058
Other prepaid expenses	124,616,258	92,747,733	103,999,844	81,455,937
Accrued income - related parties (see Note 20.1)	1,746,702	3,311,937	17,235,871	10,604,261
Accrued income - other parties	13,276,462	11,094,567	10,082,713	8,806,043
Accrued interest income	5,661,143	7,864,249	5,559,646	6,940,581
Advance payments - related parties (see Note 20.1)	11,844,830	11,844,830	13,419,480	12,966,755
Advance payments - other parties	31,202,838	24,352,463	29,997,942	24,040,063
Advance payments for aircraft maintenance and engine maintenance	934,212,330	504,536,293	825,836,092	315,076,334
Advance fuel for aircraft	94,749,302	66,882,340	-	-
Others	121,586,940	37,663,275	109,835,543	26,942,475
Total other receivables	<u>1,516,231,409</u>	<u>945,524,058</u>	<u>1,293,301,735</u>	<u>652,808,507</u>
Total	<u>1,751,081,738</u>	<u>1,119,766,574</u>	<u>1,363,624,880</u>	<u>727,699,665</u>

6.2 Trade receivables classified by aging are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Current	79,804,756	71,307,207	51,732,988	56,264,903
Overdue - Less than 1 month	21,858,333	37,355,448	6,038,620	10,377,116
- Over 1 month to 2 months	20,937,627	16,043,781	3,492,564	1,861,819
- Over 2 months to 4 months	47,298,045	19,414,734	3,561,257	3,187,749
- Over 4 months to 1 year	62,431,263	28,322,606	2,393,983	817,403
- Over 1 year	11,575,775	11,736,779	11,575,775	11,736,779
	<u>243,905,799</u>	<u>184,180,555</u>	<u>78,795,187</u>	<u>84,245,769</u>
<u>Less</u> Allowance for doubtful accounts	<u>(9,055,470)</u>	<u>(9,938,039)</u>	<u>(8,472,042)</u>	<u>(9,354,611)</u>
Total	<u>234,850,329</u>	<u>174,242,516</u>	<u>70,323,145</u>	<u>74,891,158</u>

7. AIRCRAFT DEPOSITS AND PREPAYMENTS

Aircraft deposits and prepayments consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Short-term				
Deposits - aircraft lease and machine	104,341,324	146,332,699	104,341,324	146,332,699
Total	<u>104,341,324</u>	<u>146,332,699</u>	<u>104,341,324</u>	<u>146,332,699</u>
Long-term				
Deposits - aircraft lease	140,406,348	143,818,931	84,170,160	86,215,920
Prepayments - aircraft acquisition	314,915,289	322,569,321	314,915,289	322,569,321
Total	<u>455,321,637</u>	<u>466,388,252</u>	<u>399,085,449</u>	<u>408,785,241</u>

Deposits for aircraft and machine are security deposit for aircraft operating lease and deposit for engine lease. The engine lease is a short-term lease of engine for existing engine is off-wing for maintenance. It shall be returned to lessee at the time of lease expiry.

Prepayment for aircraft acquisition is a pre-delivery payment (PDP) for those aircrafts which the Company purchases directly with aircraft manufacturers but not yet delivered. PDP term and amount was set up in Aircraft Purchase Agreement with aircraft manufacturers.

For the year ended December 31, 2015, the Company entered into sale and lease back agreements under operating lease for certain of the purchased aircrafts which the sale and lease back will be effective when the aircrafts are delivered, the lease terms are not exceed 12 years. However as at the date of entering into sale and lease back agreements, the buyer has responsibility to pay the said PDP instead of the Company.

During the three-month period ended March 31, 2016, certain aircrafts have been received and delivered to the lessor under sale and lease back agreements and the Company recognized gain on sale and leaseback aircraft under operating lease agreement in statement of profit or loss and other comprehensive income in the amount of Baht 95.19 million. (see Note 19) (2015 : Nil)

## 8. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at March 31, 2016 and December 31, 2015 consist of:

Companies	Type of business	Country of registration	Shareholding		Paid-up share capital		Separate financial statements	
			Cost method		Cost method		Cost method	
			(Baht)		(Baht)		(Baht)	
			(%)	(%)	(Baht)	(Baht)	(Baht)	(Baht)
			As at	As at	As at	As at	As at	As at
			March 31,	December 31,	March 31,	December 31,	March 31,	December 31,
			2016	2015	2016	2015	2016	2015
<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	2,000,000,000	-	-
Total							4,949,000	4,949,000

\* A subsidiary of Nok Mangkang Co., Ltd.

## 9. INVESTMENT IN JOINT VENTURE

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., which is a company incorporated in Singapore and operates in platform for airline reservation systems with the register capital of USD 4 million or equivalent to SGD 5.4 million. The Company has invested 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 is held by the Company, Scoot Pte Ltd. and TOD Holdings Co., Ltd. in the proportion of 25%, 25% and 50%, respectively.

On December 23, 2015, the Company invested in Air Black Box Asia Pacific Pte Ltd. in the amount of SGD 1.35 million or equivalent to Baht 34.75 million which has shareholding portion at 25% as stipulated in the agreement. As at March 31, 2016 and December 31, 2015, Air Black Box Asia Pacific Pte Ltd. is in the set up process to operate in platform for airline reservation systems.

As at March 31, 2016 and December 31, 2015, investment in joint venture which is recorded by the equity method in the consolidated financial statements has detail as follows:

	Unit	As at March 31, 2016 “Unaudited”	As at December 31, 2015 “Unaudited”
Nature of business: Operates in platform for airline reservation systems			
Country of incorporation: Singapore			
Shareholding by the Company	Percentage	25.00	25.00
Carrying amount based on equity method	Baht	29,255,425	34,749,000
Carrying amount based on cost method	Baht	34,749,000	34,749,000
Share of loss on investment in joint venture	Baht	(5,493,575)	-
Paid-up share capital	Singapore dollars	5,400,000	5,400,000
Total assets	Singapore dollars	5,124,401	5,400,000
Total liabilities	Singapore dollars	589,371	-

For the three-month period ended March 31, 2016, the operation of joint venture is as follows:

	UNIT : SINGAPORE DOLLARS For the three-month period ended March 31, 2016 “Unreviewed”
Total Revenues	-
Total Expenses	864,971
Net loss for the periods	864,971

## 10. OTHER LONG-TERM INVESTMENTS

Other long-term investments consist of:

Companies	Consolidated and Separate financial statements			
	As at March 31, 2016		As at December 31, 2015	
	Shareholding (%)	Cost Method Baht	Shareholding (%)	Cost Method Baht
The Aeronautical Radio of Thailand Limited	1.13	7,439,500	1.13	7,439,500
Pan Am International Flight Training Center (Thailand) Co., Ltd.	15.00	40,650,000	15.00	40,650,000
Total		<u>48,089,500</u>		<u>48,089,500</u>

## 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. (“subsidiary”) 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. payable on annually with no collateral and due for repayment within 10 years.

As at March 31, 2016 and December 31, 2015, long-term loans to a related party are Baht 970 million (see Note 20.1).

The Company has issued letters to the subsidiary to confirm that it will not recall the accrued interest income as at March 31, 2016 and December 31, 2015 amounting to Baht 22.10 million and Baht 18.06 million, respectively, for at least 12 months from March 31, 2016 and December 31, 2015. Therefore, the Company presented the accrued interest income as other non-current assets.

## 12. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Movements of leasehold improvements and equipment for the three-month period ended March 31, 2016 are as follows:

	<b>Consolidated financial statements</b>	<b>UNIT : BAHT Separate financial statements</b>
Beginning carrying amounts as at January 1, 2016	285,690,969	274,636,432
Purchases of assets (including construction in progress)	10,209,252	9,904,458
Transfer in - cost	138,000	138,000
Transfer out - cost	(138,000)	(138,000)
Cost of disposed/written-off assets	(587,451)	(587,451)
Accumulated depreciation of disposed/written-off assets	559,001	559,001
Depreciation	(17,073,475)	(15,724,241)
Ending carrying amounts as at March 31, 2016	<u>278,798,296</u>	<u>268,788,199</u>

## 13. INTANGIBLE ASSETS

Movements of intangible assets for the three-month period ended March 31, 2016 are as follows:

	<b>Consolidated financial statements</b>	<b>UNIT : BAHT Separate financial statements</b>
Beginning carrying amounts as at January 1, 2016	48,322,800	41,992,053
Purchases of intangible assets	32,694,562	32,671,161
Transfer in - cost	1,010,760	1,010,760
Transfer out - cost	(1,010,760)	(1,010,760)
Cost of disposed/written-off assets	(120,000)	(120,000)
Accumulated depreciation of written-off assets	119,999	119,999
Amortization	(5,610,331)	(5,106,558)
Ending carrying amounts as at March 31, 2016	<u>75,407,030</u>	<u>69,556,655</u>

**14. DEFERRED TAX ASSETS AND INCOME TAX EXPENSE (REVENUE)**

Deferred tax assets consist of:

	Consolidated		Separate	
	financial statements		financial statements	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Deferred tax assets	12,590,200	13,159,296	12,590,200	13,159,296

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

	Consolidated and separate financial statements			
	Balances	Items	Items	Balances
	As at January 1, 2016	recognized in profit or loss	recognized in other comprehensive income	As at March 31, 2016
Deferred tax asset				
Allowance for doubtful accounts	357,612	(12,335)	-	345,277
Employee benefit obligations	12,801,684	(556,761)	-	12,244,923
Total	13,159,296	(569,096)	-	12,590,200

	Consolidated and separate financial statements			
	Balances	Items	Items	Balances
	As at January 1, 2015	recognized in profit or loss	recognized in other comprehensive income	As at March 31, 2015
Deferred tax asset				
Allowance for doubtful accounts	360,689	(7,938)	-	352,751
Deferred income from customer loyalty programmes	6,617,843	-	-	6,617,843
Employee benefit obligations	12,397,074	81,902	-	12,478,976
Total	19,375,606	73,964	-	19,449,570

Income tax expenses (revenue) for the three-month periods ended March 31, consist of:

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current income tax expense	-	-	-	-
Deferred income tax	569,096	(73,964)	569,096	(73,964)
Income tax expenses (revenue)	569,096	(73,964)	569,096	(73,964)

Reconciliation between income tax expense and the amount of tax derived from accounting profit multiplied by the applicable tax rate for the three-month periods ended March 31, were as follows:

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Accounting profit (loss) for non-promoted operations	6,906,980	(167,860,297)	12,125,780	52,403,196
Accounting profit (loss) for promoted operations	(472,288,948)	3,165,399	(391,531,708)	3,165,399
Accounting profit (loss) before income tax expense	<u>(465,381,968)</u>	<u>(164,694,898)</u>	<u>(379,405,928)</u>	<u>55,568,595</u>
Income tax calculated based on tax rate at 20%	1,381,396	(33,572,059)	2,425,156	10,480,639
Effect of tax losses not recognized as deferred tax assets	-	33,572,059	-	-
Effect of loss for promoted business used as tax deduction	(1,381,396)	-	(2,425,156)	(10,480,639)
Tax effect of temporary differences	<u>569,096</u>	<u>(73,964)</u>	<u>569,096</u>	<u>(73,964)</u>
Corporate income tax expense (revenue) as presented in the statements of profit or loss and other comprehensive income	<u>569,096</u>	<u>(73,964)</u>	<u>569,096</u>	<u>(73,964)</u>

## 15. SHORT-TERM BORROWINGS FROM A FINANCIAL INSTITUTION

As at December 31, 2015, short-term borrowings of the Company amounting to Baht 520 million were obtained from a financial institution with no collateral. The borrowings carry interest at a Minimum Loan Rate less 1% per annum. The Company fully paid for such borrowing in March 2016.

## 16. TRADE AND OTHER PAYABLES

Trade and other payables are as follows:

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Trade payables - related parties (see Note 20.1)	90,620,327	93,248,540	88,801,920	84,411,516
Trade payables - other parties	913,051,789	590,578,375	472,627,265	393,862,954
Other payables - related parties (see Note 20.1)	5,118,140	13,178,604	5,118,140	13,178,604
Other payables - other parties	42,344,631	33,704,619	28,633,465	20,557,231
Unearned passenger revenues	1,100,812,095	882,573,120	680,938,700	684,883,282
Other advance received	402,470,652	357,230,560	137,722,401	126,924,842
Accrued expenses	<u>1,186,251,138</u>	<u>963,689,285</u>	<u>879,622,454</u>	<u>718,952,219</u>
Total	<u>3,740,668,772</u>	<u>2,934,203,103</u>	<u>2,293,464,345</u>	<u>2,042,770,648</u>

**17. PROVISION FOR AIRCRAFT MAINTENANCE**

Provisions for aircraft maintenance consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Provisions for aircraft maintenance at beginning of the period/year	433,862,661	169,932,708	406,222,400	158,169,243
<u>Add</u> Increase during the period/year - recognized as expenses for the period/year	63,385,782	400,325,753	55,663,695	384,448,957
<u>Less</u> Aircraft maintenance cost paid during the period/year	<u>(14,901,310)</u>	<u>(136,395,800)</u>	<u>(14,901,310)</u>	<u>(136,395,800)</u>
Provisions for aircraft maintenance at ending of the period/year	482,347,133	433,862,661	446,984,785	406,222,400
<u>Less</u> Short-term provisions for aircraft maintenance	<u>(137,450,123)</u>	<u>(133,908,652)</u>	<u>(111,886,980)</u>	<u>(113,497,382)</u>
Long-term provisions for aircraft maintenance	<u>344,897,010</u>	<u>299,954,009</u>	<u>335,097,805</u>	<u>292,725,018</u>

**18. EMPLOYEE BENEFIT OBLIGATIONS**

Employee benefit obligations consist of:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Retirement benefits	146,518,824	134,719,340	137,818,081	127,869,939
Other long term benefit - Pilot saving fund	<u>34,429,651</u>	<u>41,623,626</u>	<u>34,429,651</u>	<u>41,623,626</u>
Total	<u>180,948,475</u>	<u>176,342,966</u>	<u>172,247,732</u>	<u>169,493,565</u>

**18.1 Retirement benefits**

Movements in the retirement benefits are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Retirement benefits at the beginning of the period/year	134,719,340	103,436,274	127,869,939	103,436,274
Benefits paid	(4,347,614)	(12,984,703)	(4,347,614)	(12,984,703)
Current service costs and interest cost	16,147,098	46,491,579	14,295,756	39,642,178
Actuarial gain	<u>-</u>	<u>(2,223,810)</u>	<u>-</u>	<u>(2,223,810)</u>
Retirement benefits at the ending of the period/year	<u>146,518,824</u>	<u>134,719,340</u>	<u>137,818,081</u>	<u>127,869,939</u>

For the year ended December 31, 2015, the Company recognized actuarial gain in the statement of profit or loss and other comprehensive income of Baht 2.22 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 March 31, are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Current service costs	15,290,526	9,291,867	13,531,725	9,291,867
Interest cost	856,572	711,107	764,031	711,107
Total	<u>16,147,098</u>	<u>10,002,974</u>	<u>14,295,756</u>	<u>10,002,974</u>

Principal actuarial assumptions are as follows:

	Consolidated financial statements	
	As at March 31, 2016 Percentage (% p.a.)	As at December 31, 2015 Percentage (% p.a.)
Discount rate	2.39 - 3.04	2.39 - 3.04
Salary increase rate	3.00 - 6.00	3.00 - 6.00
Employee turnover	0 - 30.00 (depend on age of employee)	0 - 30.00 (depend on age of employee)
Mortality rate	TMO2008 (Thai Mortality Ordinary Table 2008)	TMO2008 (Thai Mortality Ordinary Table 2008)
	Separate financial statements	
	As at March 31, 2016 Percentage (% p.a.)	As at December 31, 2015 Percentage (% p.a.)
Discount rate	2.39	2.39
Salary increase rate	5.00	5.00
Employee turnover	0 - 16.00 (depend on age of employee)	0 - 16.00 (depend on age of employee)
Mortality rate	TMO2008 (Thai Mortality Ordinary Table 2008)	TMO2008 (Thai Mortality Ordinary Table 2008)

18.2 Other long-term employee benefit - Pilot saving fund

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

	UNIT : BAHT			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
Other long-term benefit				
- Pilot saving fund at the beginning of the period/year	41,623,626	26,719,411	41,623,626	26,719,411
<u>Add</u> Increase during the period/year - recognized as expenses for the period/year	3,493,485	14,904,215	3,493,485	14,904,215
<u>Less</u> Reversal during the period/year	(10,687,460)	-	(10,687,460)	-
Other long-term benefit				
- Pilot saving fund at the ending of the period/year	<u>34,429,651</u>	<u>41,623,626</u>	<u>34,429,651</u>	<u>41,623,626</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.

19. OTHER INCOME - OTHERS

Other income - others consist of:

	UNIT : BAHT			
	For the three-month periods ended March 31,			
	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
Gain on sale and leaseback aircraft (see Note 7)	95,185,228	-	95,185,228	-
Other income - other service fee (see Note 20.2)	21,015,197	22,356,199	19,156,919	22,356,199
Others (see Note 20.2)	7,041,421	1,709,266	6,371,693	1,383,485
Total	<u>123,241,846</u>	<u>24,065,465</u>	<u>120,713,840</u>	<u>23,739,684</u>

## 20. RELATED PARTY TRANSACTIONS

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

Significant related persons and related parties as at March 31, 2016 and December 31, 2015, consist of:

Company Name	Type of Businesses	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.	Cockpit training services	The Company's management is director.
Air Black Box Asia Pacific Pte Ltd.	Platform for airline reservation systems	Joint venture
Pueannamitr Co., Ltd.	Acquiring, hire-purchase and managing assets	The Company's managements are shareholder.
Thai Airways International PLC.	Services transportation and logistics	Common shareholders and director
Thai Smile Airways Co., Ltd.	Services transportation and logistics	Common shareholders and director
Donmuang International Airport Hotel Co., Ltd.	Hotel	Same group of shareholders
Phuket Air Catering Company Limited	Catering services	Same group of shareholders
Thai Flight Training Co., Ltd.	Cockpit training	Same group of shareholders
Dhipaya Insurance PLC.	General insurance	Common director
Major Cineplex Group PLC.	Services media cinema and publishing	Common director
Siam Premier International Law Office Limited	Legal advisory	Common director
Mr. Somchainuk Engtrakul	-	Director

20.1 Balances with related parties are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
<b>Trade receivables - related parties</b> (see Note 6.1)				
Thai Airways International PLC.	-	38,714	-	38,714
Thai Smile Airways Co., Ltd.	32,100	2,642,684	32,100	2,642,684
Dhipaya Insurance PLC.	1,718,535	1,939,864	1,718,535	1,939,864
NokScoot Airlines Co., Ltd.	-	-	8,817,811	2,839,811
Total	<u>1,750,635</u>	<u>4,621,262</u>	<u>10,568,446</u>	<u>7,461,073</u>
<b>Accrued income - related parties</b> (see Note 6.1)				
Thai Airways International PLC.	-	37,046	-	37,046
Thai Smile Airways Co., Ltd.	281,000	1,653,580	281,000	1,653,580
Dhipaya Insurance PLC.	1,465,702	1,621,311	1,465,702	1,621,311
NokScoot Airlines Co., Ltd.	-	-	15,489,169	7,292,324
Total	<u>1,746,702</u>	<u>3,311,937</u>	<u>17,235,871</u>	<u>10,604,261</u>

	UNIT : BAHT			
	Consolidated		Separate	
	As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
<b>Advance payments - related parties</b> (see Note 6.1)				
Nok Mangkang Co., Ltd.	-	-	632,241	427,253
Nok Holidays Co., Ltd.	-	-	942,409	694,672
Air Black Box Asia Pacific Pte Ltd.	11,844,830	11,844,830	11,844,830	11,844,830
Total	<u>11,844,830</u>	<u>11,844,830</u>	<u>13,419,480</u>	<u>12,966,755</u>
<b>Long-term loans to a related party</b> (see Note 11)				
Nok Mangkang Co., Ltd.	-	-	970,000,000	970,000,000
<b>Other non-current assets</b>				
<b>- Accrued interest income</b>				
<b>- related party</b>				
Nok Mangkang Co., Ltd.	-	-	22,100,384	18,060,400
<b>Trade payables - related parties</b> (see Note 16)				
Thai Airways International PLC.	87,977,941	89,983,175	85,033,845	81,036,962
Thai Smile Airways Co., Ltd.	2,139,645	2,284,302	2,139,645	2,284,302
Donmuang International Airport Hotel Co., Ltd.	102,700	708,063	102,700	708,063
Thai Flight Training Co., Ltd.	400,041	273,000	400,041	273,000
NokScoot Airlines Co., Ltd.	-	-	1,125,689	109,189
Total	<u>90,620,327</u>	<u>93,248,540</u>	<u>88,801,920</u>	<u>84,411,516</u>
<b>Other payables - related parties</b> (see Note 16)				
Dhipaya Insurance PLC	5,118,140	5,726,889	5,118,140	5,726,889
Pan Am International Flight Training Center (Thailand) Co., Ltd.	-	7,451,715	-	7,451,715
Total	<u>5,118,140</u>	<u>13,178,604</u>	<u>5,118,140</u>	<u>13,178,604</u>
<b>Other current liabilities - related party</b>				
NokScoot Airlines Co., Ltd.	-	-	135,913	62,371

20.2 Transactions with related parties for the three-month periods ended March 31, are summarized as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	2016	2015	2016	2015
<b>Passenger revenues</b>				
Thai Airways International PLC.	-	17,603	-	17,603
Thai Smile Airways Co., Ltd.	209,404	121,122	209,404	121,122
Total	<u>209,404</u>	<u>138,725</u>	<u>209,404</u>	<u>138,725</u>
<b>Service revenues</b>				
Thai Airways International PLC.	6,990	5,667	6,990	5,667
Thai Smile Airways Co., Ltd.	1,739,510	4,960,215	1,739,510	4,960,215
NokScoot Airlines Co., Ltd.	-	-	10,625,500	3,096,622
Total	<u>1,746,500</u>	<u>4,965,882</u>	<u>12,372,000</u>	<u>8,062,504</u>

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<b>Others income - other service fee</b>				
Dhipaya Insurance PLC.	5,239,430	9,573,346	5,239,430	9,573,346
<b>Others income - interest income</b>				
Nok Mangkang Co., Ltd.	-	-	4,039,984	3,570,479

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	
	2016	2015	2016	2015
<b>Costs of passengers and services</b>				
Thai Airways International PLC.	94,811,085	37,650,575	81,307,725	37,650,575
Thai Smile Airways Co., Ltd.	29,363,545	-	29,363,545	-
Donmuang International				
Airport Hotel Co., Ltd.	295,864	635,432	295,864	635,432
Thai Flight Training Co., Ltd.	969,452	1,071,051	969,452	1,071,051
Dhipaya Insurance PLC.	22,293,931	21,410,236	22,293,931	21,410,236
Pan Am International Flight Training				
Center (Thailand) Co., Ltd.	9,048,550	-	9,048,550	-
NokScoot Airlines Co., Ltd.	-	-	15,200,000	-
Total	156,782,427	60,767,294	158,479,067	60,767,294
<b>Legal fee</b>				
Siam Premier International Law				
Office Limited	1,179,606	340,000	1,179,606	340,000

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

Directors and managements' benefits for the three-month periods ended March 31, are as follows:

	UNIT : BAHT			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Short-term employee benefits	9,235,320	8,950,520	9,043,540	8,950,520
Post-employment benefits	1,577,741	752,203	1,178,376	752,203
Total	10,813,061	9,702,723	10,221,916	9,702,723

## 21. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENT LIABILITIES

### 21.1 Acquisition of aircrafts

As at March 31, 2016 and December 31, 2015, the Company has commitments for acquisition of aircrafts to be paid in the future of USD 170.61 million.

### 21.2 Aircraft lease agreement

As at March 31, 2016 and December 31, 2015, 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 March 31, 2016

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	110,924,653	377,982,412	282,303,719	771,210,784

##### As at December 31, 2015

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	106,781,473	374,120,921	267,530,626	748,433,020

#### Separate financial statements

##### As at March 31, 2016

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	91,682,653	321,859,912	282,303,719	695,846,284

##### As at December 31, 2015

	Currency	Periods			Total
		Within one year	Over one year but not over five years	Over five years	
Aircraft lease	USD	87,539,473	313,187,921	267,530,626	668,258,020

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

	Consolidated financial statements		UNIT : MILLION BAHT Separate financial statements	
	2016	2015	2016	2015
	For the three-month periods ended March 31,	970.30	691.58	795.79

### 21.3 Other lease and service agreements

As at March 31, 2016 and December 31, 2015, the Company and subsidiaries have 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 March 31, 2016

Agreements	Currencies	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	28,943,241	17,173,308	-	46,116,549
Office rental and service	CNY	245,289	185,900	-	431,189
Vehicle rental	THB	4,391,121	3,667,037	-	8,058,158
Equipment rental	THB	3,234,561	4,528,317	-	7,762,878
<b>Service Agreements</b>					
Aircraft maintenance	USD	46,127,301	103,615,086	-	149,742,387
Aircraft maintenance	SGD	861,900	2,298,400	-	3,160,300
Ticket reservation system	USD	2,270,201	7,748,777	2,709,776	12,728,754
Call center service	THB	27,412,000	4,608,000	-	32,020,000
Collection agent	TWD	1,500,000	-	-	1,500,000
Flight information service	EUR	9,000	33,750	-	42,750
Flight information service	USD	38,688	-	-	38,688

**As at December 31, 2015**

Agreements	Currencies	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	36,683,705	22,685,537	-	59,369,242
Vehicle rental	THB	4,770,769	4,664,296	-	9,435,065
Equipment rental	THB	3,718,217	5,578,308	-	9,296,525
<b>Service Agreements</b>					
Aircraft maintenance	USD	35,637,381	103,997,309	-	139,634,690
Aircraft maintenance	SGD	861,900	2,513,875	-	3,375,775
Ticket reservation system	USD	2,265,765	7,922,483	2,709,776	12,898,024
Call center service	THB	30,129,600	8,064,000	-	38,193,600

**Separate financial statements**

**As at March 31, 2016**

Agreements	Currencies	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	25,761,714	16,667,770	-	42,429,484
Vehicle rental	THB	4,161,285	3,475,507	-	7,636,792
Equipment rental	THB	3,115,149	4,349,199	-	7,464,348
<b>Service Agreements</b>					
Aircraft maintenance	USD	28,198,713	51,323,372	-	79,522,085
Ticket reservation system	USD	1,551,555	7,448,777	1,650,356	10,650,688
Call center service	THB	13,588,000	-	-	13,588,000

**As at December 31, 2015**

Agreements	Currencies	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	33,650,480	21,421,694	-	55,072,174
Vehicle rental	THB	4,540,933	4,415,307	-	8,956,240
Equipment rental	THB	3,598,805	5,369,337	-	8,968,142
<b>Service Agreements</b>					
Aircraft maintenance	USD	17,708,793	47,223,448	-	64,932,241
Ticket reservation system	USD	1,506,974	7,319,983	2,200,475	11,027,432
Call center service	THB	16,305,600	-	-	16,305,600

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

	UNIT : MILLION BAHT			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
For the three-month periods ended March 31,	29.02	12.07	16.64	11.23

#### 21.4 Bank guarantees

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

	Currencies	Consolidated		Separate	
		financial statements		financial statements	
		As at	As at	As at	As at
		March 31	December 31,	March 31	December 31,
		2016	2015	2016	2015
General guarantee	THB	61,802,572	62,503,242	53,347,572	55,348,242
General guarantee	USD	4,000	24,000	-	-
General guarantee	SGD	-	649,000	-	-
General guarantee	KRW	-	408,246,480	-	-
Aircraft leasing guaranteed by Standby					
Letter of Credit	USD	44,390,844	42,945,002	42,787,344	41,341,502

Above guarantees of the Company are unsecured guarantees.

As at March 31, 2016 and December 31, 2015, the letters of guarantee of a subsidiary are guaranteed by the subsidiary's saving deposits account of a subsidiary of Baht 61.54 million which is presented as deposit at bank pledged as collateral in the consolidated statement of financial position.

**22. FINANCIAL INFORMATION BY SEGMENT**

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

	UNIT : BAHT		
	Consolidated financial statements		
	Domestic services	International services	Total
<b>Statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2016</b>			
Revenues			
Passenger revenues	2,630,310,878	963,390,931	3,593,701,809
Service revenues	183,337,339	308,804,921	492,142,260
Other income			
Interest income	12,019,647	-	12,019,647
Others	123,241,846	-	123,241,846
Total Revenues	<u>2,948,909,710</u>	<u>1,272,195,852</u>	<u>4,221,105,562</u>
Expenses			
Costs of passengers and services	(3,025,783,466)	(1,372,610,145)	(4,398,393,611)
Selling expenses	(27,106,145)	(13,256,437)	(40,362,582)
Administrative expenses	(102,721,879)	(88,629,175)	(191,351,054)
Financial costs	(49,822,177)	(1,064,531)	(50,886,708)
Total Expenses	<u>(3,205,433,667)</u>	<u>(1,475,560,288)</u>	<u>(4,680,993,955)</u>
Share of loss of investments in joint venture	-	(5,493,575)	(5,493,575)
Loss before income tax expense	(256,523,957)	(208,858,011)	(465,381,968)
Income tax expenses	(499,036)	(70,060)	(569,096)
Loss for the periods	<u>(257,022,993)</u>	<u>(208,928,071)</u>	<u>(465,951,064)</u>
<b>UNIT : BAHT</b>			
<b>Statement of financial position as at March 31, 2016</b>			
Segment assets	4,372,981,721	2,586,921,064	6,959,902,785
Segment liabilities	2,654,216,786	1,829,575,206	4,483,791,992

	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 March 31, 2015</b>			
Revenues			
Passenger revenues	3,084,283,474	267,795,827	3,352,079,301
Service revenues	201,858,695	7,100,301	208,958,996
Other income			
Interest income	12,006,887	-	12,006,887
Others	23,739,684	325,781	24,065,465
Total Revenues	<u>3,321,888,740</u>	<u>275,221,909</u>	<u>3,597,110,649</u>
Expenses			
Costs of passenger and services	(3,069,040,903)	(452,828,150)	(3,521,869,053)
Selling expenses	(41,365,378)	(10,312,587)	(51,677,965)
Administrative expenses	(125,568,651)	(57,405,392)	(182,974,043)
Finance costs	(5,284,486)	-	(5,284,486)
Total Expenses	<u>(3,241,259,418)</u>	<u>(520,546,129)</u>	<u>(3,761,805,547)</u>
Profit (loss) before income tax expense	80,629,322	(245,324,220)	(164,694,898)
Income tax revenue	71,358	2,606	73,964
Profit (loss) for the periods	<u>80,700,680</u>	<u>(245,321,614)</u>	<u>(164,620,934)</u>

	UNIT : BAHT		
<b>Statement of financial position as at March 31, 2015</b>			
Segment assets	4,773,363,336	2,070,125,293	6,843,488,629
Segment liabilities	1,344,581,562	1,069,174,125	2,413,755,687

### 23. INVESTMENT PROMOTION RIGHTS AND PRIVILEGES

The Company and subsidiary have been granted certain rights and privileges as a promoted business 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 March 31, 2016 and December 31, 2015, 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 March 31, 2016 and December 31, 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 19, 2023
April 2, 2015	1534(2)/2558	April 20, 2015	April 19, 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.

## 24. DISCLOSURE OF INFORMATION ON FINANCIAL INSTRUMENTS

### 24.1 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 and the subsidiary use derivative financial instruments which consist of forward contracts to reduce exposure to fluctuations in foreign currency exchange.

Forward contract protects 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 off-set 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:

Consolidated financial statements							
Currency	Contract amounts		Currency	Deliverable amount		Fair value	
	As at March 31, 2016	As at December 31, 2015		As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
USD	42,489,059	12,654,000	THB	1,509,260,630	454,112,325	1,502,553,658	457,790,207
CNY	-	5,000,000	THB	-	27,675,000	-	28,263,954

  

Separate financial statements							
Currency	Contract amounts		Currency	Deliverable amount		Fair value	
	As at March 31, 2016	As at December 31, 2015		As at March 31, 2016	As at December 31, 2015	As at March 31, 2016	As at December 31, 2015
USD	42,489,059	12,654,000	THB	1,509,260,630	454,112,325	1,502,553,658	457,790,207

### 24.2 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 March 31, 2016 and December 31, 2015, the Company has the obligations for payments of aircraft fuel under fuel fixed-price contracts of USD 5.87 million and USD 11.02 million, respectively.

### 24.3 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, short-term loans from a financial institution, trade and other payables, provisions for aircraft maintenance and other current liabilities; the carrying value approximate their fair value.

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

## 25. PRESENTATIONS

The consolidated and separate statements of profit and loss and other comprehensive income for the three-month period ended March 31, 2015 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 period ended March 31, 2016 as follows;

Accounts	Amount (Baht)	Previous classifications	Current classifications
Revenue from insurance premium received from customers for insurance companies	32,592,460	Inclusively presented in service revenues	To present net with costs of passenger and services
Cost of service for insurance premium received from customers for insurance companies	32,592,460	Inclusively presented in costs of passenger and services	To present net with service revenues
Revenue from other transportations fee awaiting delivery	17,526,717	Inclusively presented in service revenues	To present net with costs of passenger and services
Cost of service for other transportations fee awaiting delivery	17,526,717	Inclusively presented in costs of passenger and services	To present net with service revenues
Other service fee income	22,356,199	Service revenues	Other income - others
Bank charge	4,211,520	Administrative expenses	Costs of passenger and services
Finance costs	5,284,486	Inclusively presented in costs of passenger and services	Finance costs

## 26. APPROVAL OF FINANCIAL STATEMENTS

The interim financial statement has been approved for issue by the Company's Board of Directors on May 13, 2016.

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

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(Mr. Montree Jumrieng)  
Director