

(Translation)

Notification of the Allotment of Newly Issued Ordinary Shares

of

Nok Airlines Public Company Limited



**Notification of the Allotment of Newly Issued Ordinary Shares of
Nok Airlines Public Company Limited**

Part 1 : Information of the Allotment of Newly Issued Ordinary Shares

1. Name and Address of the Listed Company

Name : Nok Airlines Public Company Limited (“the Company”)
Address : 3 Rajanakarn Building, 17th Floor, South Sathorn Road, Yannawa, Sathorn,
Bangkok 10120
Tel : 0-2627-2000
Fax : 0-2286-9830

2. Date and Number of the Board of Directors’ Meeting and the Shareholders’ Meeting Approving the Allotment of Newly Issued Ordinary Shares

The allotment of newly issued ordinary shares to the existing shareholders of the Company proportionately (Rights Offering) this time was resolved by the Meeting of the Board of Directors No.12/2019 held on 12 December 2019, and by the Extraordinary General Meeting of the Shareholders No.1/2020 held on 14 January 2020.

3. Details of the Allotment of Newly Issued Ordinary Shares

The Extraordinary General Meeting of Shareholders No. 1/2020 of Nok Airlines Public Company Limited (“the Company”), held on 14 January 2020, passed a resolution to decrease and then increase the registered capital and to allot newly issued ordinary shares for the amount of 888,147,358 shares with a par value of 1 Baht per share, a total of 888,147,358 Baht, to the existing shareholders proportionately (Rights Offering). The subscription ratio is 3.5 existing ordinary shares to 1 newly issued ordinary share, any fraction of shares shall be disregarded, (also allow to oversubscribe) with the subscription price of 2.50 Baht per share.

4. Record Date to Determine the Names of the Shareholders Entitled to Subscribe for Newly Issued Ordinary Shares

The Company fixed the names of the shareholders who are entitled to be allotted the newly issued ordinary shares (Record Date) on 21 January 2020.

5. Subscription and Payment Periods for the Newly Issued Ordinary Shares

5.1 Subscription and payment periods of the newly issued ordinary shares

During 3 February 2020 to 7 February 2020 (totaling 5 business days) from 09:00 a.m. to 03:30 p.m.

5.2 Location for subscription and payment for the newly issued ordinary shares

Shareholders can submit for subscription for newly issued ordinary shares at the Head Office of the agent for the subscription (“the Subscription Agent”), which is:

AIRA Securities Public Company Limited
Operation Department
319 Chamchuri Square Building, 17th Floor, Phayathai Road, Pathumwan, Bangkok 10330
Tel. 0-2080-2682
Contact Persons: Ms. Sirorat Charoenplian

(Do not accept any subscription for the newly issued ordinary shares by mail**)**

5.3 Conditions of the subscription for newly issued ordinary shares

5.3.1 In the case of subscribing for the amount of newly issued ordinary shares according to Rights Offering or less than Rights Offering (Undersubscription);

The shareholders who notify their intention to subscribe for newly issued ordinary shares according to Rights Offering or less than Rights Offering shall be allotted in the full amount of the subscription. Any fraction of shares during the process of the allotment of newly issued ordinary shares shall be disregarded.

5.3.2 In the case of subscribing for the amount of newly issued ordinary shares more than Rights Offering (Oversubscription);

Shareholders can submit for subscription for newly issued ordinary shares more than Rights Offering and must notify their intention at the same time as submitting for subscription according to Rights Offering. The shareholders must also pay the full amount of oversubscription for newly issued ordinary shares.

In the case of oversubscription and the shareholders are not allotted or not fully allotted the oversubscription amount, the Company shall refund the money for the portion of unallotted shares or not fully allotted according to the oversubscription amount without any interest and other damage charged within 7 working days after the end of the subscription period (please refer to Refund of subscription payment in Clause 5.6). The criteria are as follows:

- In the case that unsubscribed shares exceed the total number of shares oversubscribed, the Company shall allot the newly issued ordinary shares to the shareholders who

oversubscribe and pay for all of the subscription shares according to the amount submitted for the oversubscription (any fraction of shares derived from calculation shall be disregarded).

- In the case that unsubscribed shares are less than the total number of shares oversubscribed, the Company shall allot the ordinary shares in proportion to the existing shareholding percentage of each shareholder who oversubscribes. The existing shareholding proportion of each shareholder who oversubscribes shall be used to multiply by the number of unsubscribed shares in order to get the number of shares each shareholder who oversubscribes enables to be allotted (any fraction of shares derived from calculation shall be disregarded). The above allotment process of newly issued ordinary shares shall be repeated until there are no leftover shares available for further allotment. Nevertheless, the number of allotted shares to each shareholder shall not exceed the number of shares the shareholder subscribes and pays for.
- In the case that there are shareholders expressing an intention to subscribe for the newly-issued ordinary shares in excess of his/her proportion, and as a result, the shareholder and person(s) under the Section 258 of Securities and Exchange Act B.E. 2535 (1992) of such shareholder collectively hold the Company's shares in the proportion that triggers the point that is required for the tender offer to be made, such shareholder shall make a tender offer of all securities of the Company (Tender Offer) according to Notification of the Capital Market Supervisory Board No. ThorJor. 12/2554 (2011) Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (as amended) ("Notification Re: Acquisition of Securities for Business Takeovers"), except that such shareholder is exempted from the requirement to make a tender offer for all securities of the Company according to the Notification Re: Acquisition of Securities for Business Takeovers.
- In any cases, the allotment of newly issued shares by way of Excess Rights shall not cause any of the Company's shareholders who subscribe to the new shares in excess of their entitlement to violate the restriction of foreign shareholding as provided in the Company's Articles of Association, which specifies that foreign shareholders may not hold shares in the Company in excess of 49% of the total issued shares. And the Company reserves the right to not allot to subscribers in case of the allotment will violate the laws and regulations of issuance and allotment of securities under Thai laws.

5.3.3 Other conditions for subscription

- 1) In the case that the subscription payment is made by personal cheque or cashier cheque or bill of exchange (draft), the subscription payment shall be deemed as complete once the bank has cleared the amount specified in the cheque, and the subscription for newly issued ordinary shares shall be deemed as complete only when the Company and/or the Subscription Agent have collected the subscription payment.
- 2) The shareholder who has subscribed for the newly issued ordinary shares and paid for the subscription shall not be able to cancel the subscription.
- 3) If the existing shareholder, who submits for the subscription, fails to make the subscription payment for the newly issued ordinary shares or comply with the method of the subscription payment, or fails to proceed with the subscription according to the specified conditions and methods, which prevents the subscription payment from being collected within the subscription period and conditions, or the Company and/or the Subscription Agent are unable to collect the subscription payment (resulting from any cause which is not the fault of the Company and/or the Subscription Agent), either wholly or partly, within the subscription period, or the shareholder makes the subscription by any method other than those specified in this Notification of the Allotment of Newly Issued Ordinary Shares of the Company or submits incomplete subscription documents, the Company and/or the Subscription Agent shall consider it as a waiver of the existing shareholder to subscribe for such newly issued ordinary shares, and the Company and/or the Subscription Agent shall reserve the right not to allot the newly issued ordinary shares to the existing shareholder.
- 4) In the case that the subscriber incompletely, unclearly or inconsistently fills in the details in the subscription documents, the Company and/or the Subscription Agent shall hereby reserve the right to use the details in the subscription documents as it deems appropriate in allotting newly issued ordinary shares. Nevertheless, in such case, the Company and/or the Subscription Agent shall have the right to consider it as a waiver of the existing shareholder to subscribe for the newly issued ordinary shares, and the Company and/or the Subscription Agent shall reserve the right not to allot the newly issued ordinary shares to the existing shareholder. Any shareholder who does not submit for the subscription or does not submit it within the specified period, the Company shall consider it as a waiver of the shareholder to subscribe for the newly issued ordinary shares this time.

- 5) In the case that the allotment of newly issued ordinary shares in the first round or the allotment made to the existing shareholders, who oversubscribe, results in the foreign shareholders holding shares of the Company exceeding 49% of the total issued shares of the Company, the Company shall hereby reserve the right not to allot newly issued ordinary shares to such foreign shareholder/shareholders, whereby such foreign shareholders/ shareholders may not receive the allotment or may only receive a partial allotment of newly issued ordinary shares. And in such case, the Company shall not compensate for any damage to the shareholders, and such shareholders shall not claim for any damage from the Company. However, the Company, by the Subscription Agent, shall refund the money paid for the subscription for newly issued ordinary shares for the portion of unallotted shares or the shares not fully allotted (as specified in Clause 5.6).
- 6) The existing shareholders shall be responsible for any related expenses (if any) except bank's fees for the Bill Payment system.
- 7) In the case that the existing shareholders receive the Certificate of Subscription Rights for the Newly Issued Ordinary Shares by more than one shareholder registration number, the existing shareholders must prepare the subscription documents in accordance with the number of the shareholder registration number for which they have received the Certificate of Subscription Rights for the Newly Issued Ordinary Shares; that is, only one set of subscription documents for one shareholder registration number. If the existing shareholders make a subscription with one shareholder registration number by combining rights to receive the allotment of newly issued ordinary shares of every shareholder registration number into a single entry or by specifying such details in a single set of the subscription documents, the subscribers may not fully receive the allotment of newly issued ordinary shares pursuant to their respective entitlements as per every shareholder registration number. And the Company and/or the Subscription Agent shall hereby reserve the right to allot the newly issued ordinary shares to the subscribers as it deems appropriate or not to allot the newly issued ordinary shares to such subscribers.
- 8) The Company hereby reserves the right to change the details of subscription method and subscription payment for newly issued ordinary shares or other conditions for subscription as it deems appropriate in case of any problem, obstacle or limitation in relation to the operation of the share subscription happened, and that is for the benefit of the subscription for newly issued ordinary shares of the Company.

5.4 Subscription documents for newly issued ordinary shares

Shareholders who subscribe for newly issued ordinary shares must submit subscription documents as follows:

- 1) A Subscription Form for Newly Issued Ordinary Shares (Enclosure No.3) that is accurately, completely and clearly filled including stating the number of shares that each shareholder intends to subscribe as stated in the Certificate of Subscription Rights for the Newly Issued Ordinary Shares as well as clearly specifying the number of oversubscribed shares that the shareholder intends to oversubscribe with the signature of the subscriber. In the case that the subscriber is a juristic person, there must be signature of the authorized person(s) of such juristic person affixed with the seal of such juristic person (if any). A shareholder can only submit one Subscription Form for Newly Issued Ordinary Shares per one Certificate of Subscription Rights for the Newly Issued Ordinary Shares.
- 2) The Certificate of Subscription Rights for Newly Issued Ordinary Shares (Enclosure No.2) issued by Thailand Securities Depository Company Limited (the "TSD") as the share registrar of the Company and delivered together with this Notification, via registered postal mail to the existing shareholders. The shareholders must separately complete one Subscription Form for Newly Issued Ordinary Shares per one Certificate of Subscription Rights for Newly Issued Ordinary Shares only.
- 3) Proof of payment
 - Proof of payment through the Bill Payment Pay-In Slip (original copy) (Enclosure No.4) (If the subscription payment for newly issued ordinary shares is made through the Bill Payment Pay-In Slip), or
 - Personal cheque or bank cheque (cashier cheque) or bill of exchange (draft) (which can be collected by the Thai Clearing House in Bangkok only within 1 business day) deposit through the Bill Payment Pay-In Slip (Enclosure No.4) together with the Bill Payment Pay-In Slip (original copy)

(Please specify shareholder registration number, full name and contact telephone number on the back of the proof of payment)

- 4) A copy of the first page of the passbook of saving or a copy of current account statement

The Company and/or the Subscription Agent will refund the money paid for the subscription for newly issued ordinary shares for the portion of unallotted shares or the oversubscribed shares not fully allotted via the Automatic Transfer System (ATS) to the bank account, please attach a copy of the first page of the passbook of saving or a copy of current account statement of only

one of these banks Bangkok Bank Public Company Limited, Kasikorn Bank Public Company Limited, Krung Thai Bank Public Company Limited, Bank of Ayudhya Public Company Limited, Siam Commercial Bank Public Company Limited, United Overseas Bank (Thai) Public Company Limited, CIMB Thai Bank Public Company Limited, TMB Bank Public Company Limited, and Thanachart Bank Public Company Limited, provided that the name of the bank account must be as the same as the name of the subscriber of newly issued ordinary shares, together with signing certified true copy.

5) Required documents for identification

- Thai individual person, a certified copy of identification card, government ID card, or state enterprise employee card that is not expired including signing certified true copy. In case that there is no identification card, attach a copy of any other official document containing the 13-digit identification number together with signing certified true copy. In case of changing first name/last name, which causes a disparity to the name of the shareholders as displayed in the Share Register Book at the date fixing the name of shareholders as of 21 January 2020 or in the Certificate of Subscription Rights for Newly Issued Ordinary Shares, attach a copy of other documents issued by government agencies, such as marriage certificate, divorce certificate, or certificate of change of first name/last name, etc., together with signing certified true copy.
- Individual alien, a copy of an alien certificate, or a copy of a valid passport together with signing certified true copy.
- A juristic/legal entity registered in Thailand, a copy of the affidavit issued by the Ministry of Commerce, which is extracted not more than 3 months prior to the subscription date, with a signature to certify by the authorized person(s) of such juristic person and affix with the seal of such juristic person (if any) including a copy of identification card, government ID card, state enterprise employee card, or alien certificate or valid passport (in case of a foreign individual) (as the case may be) of such authorized person(s) of the juristic person, together with signing certified true copy.
- A juristic/legal entity registered in foreign country, a certified copy of the certificate of incorporation, the memorandum of association, or the affidavit issued not more than 6 months prior to the subscription date, with a signature to certify by the authorized person(s) of such juristic person and affix with the seal of the juristic person (if any) including a copy of the alien certificate or passport (as the case may be) of such authorized person(s) of the

juristic person, together with signing certified true copy. All certified copies of each of above documents must be notarized by a Notary Public, and then authenticated by an official of the Thai Embassy or the Thai Consulate in the country where the documents are prepared or certified. Such Notary Public Certification and authentication shall be made not more than 6 months prior to the subscription date.

- 6) A power of attorney affixed with 30-Baht stamp duty (in the case of appointment of representative) including copies of identification cards of the subscriber and his/her representative which are not expired, together with signing certified true copy (Enclosure No.6).
- 7) For the subscriber who intends to deposit the newly issued ordinary shares in the Issuer Account No.600 under the name of the subscriber, please fill in the required information in "the Additional Subscription Documents Only for the Subscriber Wishing to Deposit the Securities in the Issuer Account" form (Enclosure No.5).

5.5 Methods of Subscription and Subscription Payment for Newly Issued Ordinary Shares

Any existing shareholder who wishes to subscribe for newly issued ordinary shares must correctly, completely, and clearly fill in and sign the subscriber's signature in a Subscription Form for Newly Issued Ordinary Shares. The subscriber or his/her representative must submit subscription documents and make a full subscription payment according to the number of subscribed shares at the Subscription Agent within the subscription period and time, and pay for the subscription for newly issued ordinary shares by any one of the methods as follows:

Payment made by wire transfer which made in full (payment with cash is not accepted)

The payment by wire transfer can be payable to "AIRA Securities Public Company Limited", Siam Commercial Bank Public Company Limited., Thanon Witthayu Branch, account number: 049-3-14530-4. The submission of subscription documents is available from 3 February 2020 to 7 February 2020 between 09:00 a.m. – 03:30 p.m. **The payment must only be made by the Bill Payment Pay-In Slip (Enclosure No.4) through the teller counters of Siam Commercial Bank Public Company Limited.**

The existing shareholder must fill the information in the Bill Payment Pay-In Slip and complete Ref.1 with the 10-digit shareholder registration number (as appeared in the Certificate of Subscription Rights for Newly Issued Ordinary Shares (Enclosure No.2)) and Ref.2 with the 13-digit identification number / passport / alien certificate.

- **The Company reserves the right to not accept any payment in cash for the subscription.**
- Please wire transfer in one time for 1 Share Subscription Form, whether for the subscription according to Rights Offering or less than Rights Offering and for the subscription exceeding Rights Offering

Payment made by personal cheque or cashier cheque or bill of exchange (draft) (dated and deposited during subscription period but no later than 5 February 2020) (including deposit or transfer by personal cheque or bank cheque (cashier cheque) or bill of exchange (draft) through the Bill Payment system)

Personal cheque or bank cheque (cashier cheque) or bill of exchange (draft) shall be cleared by Thai Clearing House in Bangkok only within 1 business day of the date of the cheque, crossed to a dedicated account (Account Payee Only) payable to "AIRA Securities Public Company Limited For Subscriptions". The cheque must be dated during subscription period but no later than 5 February 2020 and submitted to "AIRA Securities Public Company Limited For Subscriptions", Siam Commercial Bank Public Company Limited., Thanon Witthayu Branch, account number: 049-3-14530-4. The payment must only be made by the Bill Payment Pay-In Slip (Enclosure No.4) through the teller counters of Siam Commercial Bank Public Company Limited during subscription period but no later than 5 February 2020. The existing shareholder must fill the information in the Bill Payment Pay-In Slip and complete Ref.1 with the 10-digit shareholder registration number (as appeared in the Certificate of Subscription Rights for Newly Issued Ordinary Shares (Enclosure No.2)) and Ref.2 with the 13-digit identification number / passport / alien certificate.

- Subscription period in case of payment by personal cheque or bank cheque (cashier cheque) or bill of exchange (draft) is from 3 February 2020 to 5 February 2020 between 09:00 a.m. – 03:30 p.m.
- Please pay personal cheque, bank cheque (cashier cheque), or bill of exchange (draft) in 1 cheque/draft for 1 Share Subscription Form, whether for the subscription according to Rights Offering or less than Rights Offering and for the subscription exceeding Rights Offering

Please specify the share registration number (as shown in the Certificate of Subscription Rights for the Newly issued ordinary shares (Enclosure No.2)), full name, and contact telephone number on the back of the personal cheque or bank cheque (cashier cheque) or bill for exchange (draft)

In order to provide convenience in subscription payment for Newly Issued Ordinary Shares, the Company encloses Bill Payment Pay-In Slip (Enclosure No.4)

5.6 Refund of Subscription Payment for Newly Issued Ordinary Shares to the Existing Shareholder Who is Not Fully Allotted the Oversubscribed Shares According to the Oversubscription Amount or Violates the Subscription Conditions

In the case that the shareholder notified his/her intention to subscribe for newly issued ordinary shares more than Rights Offering and fully paid for both of the subscription portion according to Rights Offering and the subscription portion of Excess Right, but is not allotted the newly issued ordinary shares for oversubscription amount or not fully allotted the oversubscription amount, or in

the case that the shareholder fully paid for the subscription for newly issued ordinary shares, but is not allotted the newly issued ordinary shares because of violating the subscription conditions, the Company, by the Subscription Agent, shall refund the money for the portion of unallotted shares or the shares not fully allotted according to amount subscribed without any interest and damages charged, within 7 working days after the end of the subscription period via the Automatic Transfer System (ATS) to the bank account. In case of the Company cannot refund the money for the portion of unallotted shares or the shares not fully allotted within 7 working days after the end of the subscription period. The Company is responsible to refund that money and pay the interest at the rate 7.50% per annum to the unallotted shareholders or the shares not fully allotted according to amount subscribed by calculate from the refund amount with the days since after 7 working days after the end of the subscription period until the refund day.

Nevertheless, in the case of the inability to return the subscription money for the portion of unallotted shares or the shares not fully allotted according to the subscription amount via the Automatic Transfer System (ATS) to the bank account as designated by the subscriber in the Subscription Form for Newly Issued Ordinary Shares under any circumstance beyond the Subscription Agent's control, the Subscription Agent shall proceed to refund the money for the portion of unallotted shares or the shares not fully allotted according to the subscription amount by issuing a crossed cheque payable only to the name of the subscriber and delivering such cheque via a registered mail to the address appeared in the shareholders' database of the Company in accordance with the Share Register Book at the date fixing the name of shareholders as of 21 January 2020. In case of the refund made by cheque, the subscriber shall be responsible for the fee charged by the different clearing house or the fee charged in relation to the bank cheque (if any).

Under any circumstance, once the transfer of the subscription money for the portion of unallotted shares or the shares not fully allotted according to the subscription amount is made to the bank account of the subscriber, via ATS, as specified in the Subscription Form for Newly Issued Ordinary Shares, or a cheque is made payable to the subscriber and delivered via a registered mail to the address appeared in the shareholders' database of the Company in accordance with the Share Register Book at the date fixing the name of shareholders as of 21 January 2020, it shall be deemed that the subscriber has duly received the refund of the subscription payment for the portion of unallotted shares or the shares not fully allotted according to the subscription amount, and the subscriber shall no longer be able to claim any interest and/or damages from the Company and/or the Subscription Agent.

5.7 Waive the Subscription

Any shareholder who does not exercise his/her right to subscribe, or does not exercise the right to subscribe within the specified period, or fails to make payment within the specified period and time, or the Company and/or the Subscription Agent are unable to collect the subscription payment for newly issued ordinary shares within the specified period, the Company may consider it as a waiver of a shareholder to subscribe for newly issued ordinary shares this time.

5.8 Delivery of Newly Issued Ordinary Shares

5.8.1 In the case that the subscriber intends to deposit the shares in the account of the securities company where the subscriber has a trading account with, the Company shall proceed to deposit the allotted shares in the account of "Thailand Securities Depository Company Limited for Subscribers" operated by the TSD, and the securities company shall record the number of shares deposited and issue an evidence of deposit to the subscriber within 15 business days after the end of the subscription period. In this case, the subscriber shall be able to sell the allotted shares on the Stock Exchange of Thailand (the "SET") as soon as the SET allows the Company's shares to be traded on the SET.

5.8.2 In the case that the subscriber intends to deposit the shares in the Issuer Account No. 600, the Company shall proceed to deposit the allotted shares in the account of "Thailand Securities Depository Company Limited", whereby the TSD shall record the number of shares deposited under the name of the subscriber and issue an evidence of deposit to the subscriber within 15 business days after the end of the subscription period. In this case, the subscriber shall be able to sell the allotted shares on the SET after the SET allows the Company's shares to be traded on the SET only when the subscriber has transferred the shares out of the Issuer Account No. 600 into his/her own trading account. And if the subscriber wishes to withdraw such shares, he/she can contact the TSD, but, be subject to the withdrawal fee specified by the TSD (the subscriber must completely fill in the required information in "the Additional Subscription Documents Only for the Subscriber Wishing to Deposit the Securities in the Issuer Account" form (Enclosure No. 5) and submit them together with the Subscription Form for Newly Issued Ordinary Shares).

5.8.3 In the case that the subscriber wishes to receive the Share Certificate under the name of subscriber, the TSD, as the Company's registrar, shall deliver the Share Certificate according to the number of allotted shares to the subscriber via a registered mail to the name and address appeared in the shareholders' database of the Company in accordance with the Share Register Book at the date fixing the name of shareholders as of 21 January 2020 within 15 days after the end of the subscription period. In this case, the subscriber shall not yet be

able to sell the allotted shares on the SET until receiving the Share Certificate, and the subscriber may receive the Share Certificate after the Company's shares are approved to be traded on the SET.

In the case that the subscriber does not specify a delivery method for the Company to deliver the security in the Subscription Form for Newly Issued Ordinary Shares, the Company shall reserve the right to issue the Share Certificate to the subscriber as mentioned above in Clause 5.8.3.

5.9 Other Important Information for the Subscription for Newly issued ordinary shares

5.9.1 The existing shareholder who makes a subscription shall receive a receipt issued and signed by the Subscription Agent's officer as an evidence for the subscription for newly issued ordinary shares.

5.9.2 The existing shareholder who doesn't subscribe the newly issued ordinary shares or does not pay the subscription amounts within the specified period or personal cheque, cashier cheque, or draft cannot be cleared by the payment date. The Company may consider it as a waiver of a shareholder to subscribe these newly issued ordinary shares.

5.9.3 The name of the subscriber and the owner's name of the trading account must be identical. If it is another person's trading account number, the deposit of newly issued ordinary shares into the account cannot be made. For such case, the Company shall reserve the right to deliver such newly issued ordinary shares by issuing the Share Certificate under the name of the subscriber and delivering to the subscriber to his/her contact address specified in the Share Subscription Form within 15 days after the end of the subscription period. In this case, the subscriber shall not yet be able to sell the allotted shares on the SET until receiving the Share Certificate, and the subscriber may receive the Share Certificate after the Company's shares are approved to be traded on the SET, and the Company shall not be responsible for a delay in any cases.

5.9.4 If the number of shares that the shareholder specifies in the Subscription Form for Newly Issued Ordinary Shares exceeds the amount of payment received by the Company, the Company shall hereby reserve the right to allot the shares according to the amount of money the Company receives for the subscription payment.

5.9.5 If the number of shares that the shareholder specifies in the Subscription Form for Newly Issued Ordinary Shares is less than the amount of payment received by the Company, the Company shall reserve the right to discreetly allot the newly issued ordinary shares to each shareholder as it deems appropriate.

5.9.6 The shareholder who exercises his/her subscription right must correctly specify the code/number of the securities company (as listed on the back of the Subscription Form) where the shareholder has a trading account with, and the trading account number to which the shareholder wishes the allotted shares to be transferred. The name of the trading account specified in the Subscription Form must be identical with the name of the subscriber. If identifying the code/number of the securities company or the trading account number incorrectly, or specifying another person's trading account number, the deposit of the newly issued ordinary shares into the trading account cannot be made. In that regard, the Company shall not be responsible for any loss or delay in retrieving the newly issued ordinary shares, and the Company shall hereby reserve the right to deliver such newly issued ordinary shares by issuing the Share Certificate according to the number of allotted shares under the name of the subscriber and delivering the Share Certificate to the name and address appeared in the shareholders' database of the Company in accordance with the Share Register Book at the date fixing the name of shareholders as of 21 January 2020 within 15 days after the end of the subscription period. The Company shall not be responsible in case of the shareholder not being able to sell the allotted shares on the first trading day.

6. Objectives of the Capital Increase and Plans for Utilizing Proceeds Received from the Capital Increase

The Company's purpose of the capital increase is to reinforce the Company in the part of operation and capital. The Company has planned to utilize proceeds received from the capital increase for working capital, reducing indebtedness, improving fleet, including expanding air routes and aviation network which will enhance the Company's capability in competition and result in the better performance.

7. Benefits Which the Company Shall Receive from the Capital Increase/Share Allotment

According to this issuance and offering of the newly issued ordinary shares to existing shareholders proportionate to their respective shareholdings (Rights Offering), the Company will receive significant capital which will be utilized to improve the Company's business operation as follows:

▶ Working capital in business – In the past, the Company has had loss from operation. Some of the proceeds received from this capital increase will be utilized as working capital for business operation, increase liquidity and reinforce financial position.

▶ Expanding air routes and aviation network – The Company has planned to invest in the expansion of air routes which the Company has observed and foresaw the opportunity to enhance aviation network, airplane using ratio and operation efficiency in order to raise the Company's revenue and profit ratio in a long run.

▶ Fleet improvement – The Company has planned to improve fleet in order to increase airplane using ratio per airplane and reduce expense per unit, for instance, airplane rental, maintenance expenses and airmen expenses etc., causing the Company to have better performance and profitability.

8. Dividend Policy and Rights to Receive Dividends.

8.1 Dividend policy

The Company's policy is to pay its dividend to shareholders at a rate approximately not lower than 25 percent of its net profit based in the Company's financial statements after deducted corporate income tax and after deducted statutory reserves each year, in case there is no need to use proceed in any other situation and the dividend payment meanwhile must not materially affect the Company's normal operations.

8.2 Shareholders' rights

The subscriber of the newly-issued ordinary shares will be entitled to receive dividends from the Company's business operation after the subscriber's registration as a shareholder of the Company

9. Other Necessary Information for Consideration of Investing in the Newly Issued Ordinary Shares

This capital increase, if successful, can give the Company not only a working capital for operations, but also improvement of financial status from negative equity to become positive again. However, there is uncertainty that the full amount of such capital increase and the financial performance in the fourth quarter of 2019 may not be reached, causing target to improve shareholders' equity can be missed.

Part 2 - Preliminary Information of Nok Airlines Public Company Limited

1. Name and Location of the Listed Company

Name	:	Nok Airlines Public Company Limited
Business Type	:	The Company and its subsidiaries ("The group of Company") operates budget airline or low-cost airline business under the brand "Nok Air" which provide domestic and international point-to point as well as connecting flight air transport services. The Company is considered as a leading domestic low cost carrier with most domestic coverage.
Address	:	3 Rajanakarn Building, 17 th floor, South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Registration Number	:	0107556000094
Telephone	:	0 2627 2000
Fax	:	0 2286 9830
Website	:	https://www.nokair.com
Registered Capital	:	As of 30 September 2019, the registered capital of the Company is at 3,408,049,800 Baht divided into 3,408,049,800 ordinary shares with a par value of 1 Baht per share. In case that the registered capital is decreased and increased and the newly issued ordinary shares to existing shareholders in proportion to their shareholdings (Right Offering) is fully subscribed, the registered capital of the Company shall increase to 4,197,166,631 Baht.
Paid-up Capital	:	As of 30 September 2019, the paid-up capital of the Company is at 3,108,515,756 Baht divided into 3,108,515,756 ordinary shares with a par value of 1 Baht per share. In case that the newly issued ordinary shares, totaling 888,147,358 shares to existing shareholders in proportion to their shareholdings (Right Offering) is fully subscribed, the paid up capital of the Company shall increase to 3,996,663,114 Baht.

2. Business Type and Nature of Competition

Revenue Structure

According to consolidated financial statement, the Company and its subsidiaries' revenue structure classified by type of business for the year 2016-2018 and the first 9 months of 2019 are as follows:

Consolidated Financial Statement	2016		2017		2018		Jan-Sep 2018		Jan-Sep 2019	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from transportation										
Scheduled flights	14,272.11	84.26	15,678.37	76.94	14,493.06	73.42	10,943.88	71.89	11,410.08	78.08
Chartered flights	490.30	2.89	1,707.62	8.38	2,206.65	11.18	1,937.77	12.73	824.69	5.64
Total revenues from transportation	14,762.41	87.15	17,386.00	85.32	16,699.71	84.60	12,881.65	84.61	12,234.77	83.73
Total Ancillary revenues ¹	1,463.21	8.64	2,186.11	10.73	2,560.12	12.97	1,938.86	12.74	2,113.68	14.46
Other revenues										
Interest income	36.61	0.22	23.91	0.12	25.46	0.13	21.27	0.14	18.45	0.13
Others	676.09	3.99	780.69	3.83	454.93	2.30	382.29	2.51	246.06	1.68
Total other revenues	712.70	4.21	804.60	3.95	480.39	2.43	403.56	2.65	264.51	1.81
Total revenues	16,938.32	100.00	20,376.71	100.00	19,740.23	100.00	15,224.07	100.00	14,612.96	100.00

Remark: ¹ Ancillary revenues include revenue from travel changes, excessive baggage, ticket booking and payment fee and sales from snacks, drinks and souvenirs

Source: Company financial statements audited / reviewed by a licensed auditor

For the first 9 months of 2019, the Company's main revenue is derived from air transportation totaling Baht 12,235 million or 83.73% of total revenue. Most of the revenue from air transportation services comes from scheduled flight services, totaling Baht 11,410 million, representing 78.08% of total revenue. Such air transportation is extensive flight services covering domestic and international flights in primary, secondary, and feeder routes. Moreover, the Company and its subsidiaries also have revenue from chartered flights. Most of them are chartered from Thailand to overseas. Such service is provided in addition to scheduled flights by using of existing aircraft to be more effective. The revenue from the chartered flights service for the first 9 months of 2019 is 825 million baht or 5.64% of total revenue.

For the first 9 months of 2019, the Company's revenue from additional service was Baht 2,114 million or 14.46% of total revenues.

Other revenue in the first 9 months of 2019 was Baht 265 million, representing 1.81% of total revenues. Other revenues consisted of interest income, Realized/Unrealized Gain on Exchange Currency, and others.

2.1 Products and Services

Nok Air operates a budget airline under the "Nok Air" brand where it provides domestic and international point-to-point air transport services. As of 30 September 2019, the Company has a fleet of 22 leased aircrafts, including 14 Boeing 737-800 and 8 Bombardier Q400s. The Company receives investment promotional privileges under the Investment Promotion Act B.E. 2520 (and Amendment) from The Board of

Investment of Thailand (BOI) in the large mass and cargo transport business. Details of the investment incentives are as follows:

1. Corporate income tax exemption on net profit generated from the consolidated BOI promoted businesses of not exceeding 100% of the investment capital, excluding land and revolving capital. The incentive is given for 8 years starting from the date the business begins to generate income. (Clause 31)
2. The right not to include dividend received from BOI promoted projects with corporate income tax exemption into taxable income throughout the corporate income tax exemption period. (Clause 34)
3. Exemption of import duty on imported aircraft. (Clause 28)
4. The right to allow foreign technicians or experts and their spouse and dependents to travel to Thailand and work in the specified position within the timeframe allowed by the Board of Directors. (Clause 25 and 26)

Nok Air provides extensive flight services covering every region across Thailand. At present, Nok Air has the most domestic route coverage in Thailand. As of 30 September 2019, Nok Air flew 35 routes of which 24 routes are domestic flights, 11 international routes with a total of 556 flights per week. To extend its wing to overseas territories, Nok Air signed the Interline Cooperation Agreement with Singapore's Scoot Airlines which allowed Nok Air to sell tickets from domestic destination such as Chiang Mai, Chiang Rai, Phuket, Udon Thani, Ubon Ratchathani, Nakhon Si Thammarat, Trang and Hat Yai to Singapore. The agreement enables passengers to buy 1 single ticket that covers destinations operated by these 2 airlines.



The company is also partnering with leading airlines in Asia, under the Value Alliance, including with Nok Airlines, Nok Scoot Airlines, Scooter Airlines, Cebu Pacific Airlines (including Cebgo Airlines) and Jeju Air, in order to create a network of routes within the Alliance. It also offers travel options that link Southeast Asia, North Asia, as well as Australia for more convenience of passengers.

Nok Air offers flights from its main operation base at Don Mueang International Airport with a focus to service flights on high demand routes as primary routes¹ as well as flights on lower demand but potentially grown routes as secondary routes¹ and feeder routes.¹ This is in line with Nok Air's competitive strategies to provide the most comprehensive coverage in Thailand.

For international routes, Nok Air provides service to 1 route in Myanmar which is Don Mueang-Rangoon, 1 routes to Vietnam Don Mueang - Ho Chi Minh City and 7 routes in China Don Mueang – Chengdu, Don Mueang – Nanning, Chiangmai-Nanning, Phuket-Nanning, Don Mueang – Nantong and Don Mueang – Yancheng As of 30 September 2019, Nok Air operates 58 round trip flights in this region.

In addition, Charter flight for group travelers or those who wish to travel to destinations out of Nok Air's scheduled flights is also available.

2.2 Market Overview and Competition

Current Competitive Conditions

At present, flight routes in Thailand are in highly competitive situation especially competitions from full - service airlines, low - cost airlines and chartered flights including the entry of new low - cost airlines. And moreover, the low - cost airline business is engaging to leverage the potential competitiveness which has broadened the higher of contentions in the market share more than before.

Domestic Route

The main competitors in Nok Air's domestic route are Thai Air Asia and Thai Lion Air, all of which 3 airlines are low - cost airlines that focus on service flights between point to point and are the main airlines driving domestic route market. However, there are still competitions as well from full - service airlines that have the same flight routes such as Thai Airways, Bangkok Airways and Thai Smile Airways. Throughout the

¹ Announcement of the Ministry of Transport: Criteria for Domestic Route Service as of August 9, 2017 as follows:

- Primary route is a route with total passengers over 1,000,000 a year which Department of Civil Aviation allows all Thai airlines to operate commercial flights along these routes without any restriction of the number of airlines.
- Secondary route is a route with total passengers between 100,000 and 1,000,000 a year and Department of Civil Aviation allows only 3 airlines to operate commercial flights in these routes.
- Feeder route is a route with total passengers less than 100,000 a year and Department of Civil Aviation allows only 2 airlines to operate commercial flights in these routes.

past period, the Company has continued to develop domestic flight routes in order to increase passengers' conveniences. But due to the current high competitive aviation situation in conjunction with the Company's adjustment of number of flights in the year 2019 in order to accommodate the users' needs of service, flights reduction on certain routes, to suit the market competition, as Don Mueang - Phuket, Don Mueang - Krabi, Don Mueang - Ranong and flights suspension on service routes that require less traffic such as Don Mueang – Nan, Don Mueang – Loei, Udonthani - Ubolrajathani and Don Mueang - Petchboon had been executed. At the same time, the Company has increased frequency of services in the current flight routes to meet the needs of increasing traffics from the users as well, for example Don Mueang - Chiangmai, Don Mueang - Maisod routes etc. As of September 30th, 2019, the Company has 498 roundtrip flights per week.

International Route

For international route, the Company provides Point to Point services to Myanmar, namely Don Mueang - Yangon and Vietnam, namely Don Mueang - Ho Chi Minh and many routes in China, Don Mueang – Chengdu, Don Mueang – Nanning, Chiangmai-Nanning, Phuket-Nanning, Don Mueang – Nantong and Don Mueang – Yancheng. In addition, many chartered flights to China are also available. As of September 30th, 2019, the Company has a figure of 58 roundtrip flights per week with the main competitor of Nok Air on the international route, still being low cost airlines who operate on such same routes. Nok Airlines belongs to the world's first low - cost airline group (Value Alliance), thus the Company has an advantage over other airline companies in the same business in terms of a strong affiliate network and varieties to meet the needs of customers effectively with the coverage of both domestic and regional area

Distribution and Payment Channels

As the airline business's leader in the development of new channels of air ticket sales and payment, Nok Air remains committed to introduce new and innovative channels for ticket reservation and payment to cover the needs of all groups of customers. At present, customers can make a reservation through 5 channels; namely, website (including mobile phone applications), call center, airport counter, ticket agent and Counter Service. Website and electronic channels remain the most popular means for ticket reservation thanks to its convenience, 24/7 availability and zero fee charge. Besides, Nok Air has an exclusive reservation channel for group travelers, corporate clients and government officials.

Distribution and Payment Channels Table

Distribution and Payment Channels	Website	Website on Mobile Devices	Call Center	Airport Counters	Ticket Agents	Counter Service
1. Cash	x	x	x	✓	✓	✓
2. Credit Cards	✓	✓	✓	✓	✓	x
3. ATM	✓	✓	✓	x	x	x
4. Counter Service	✓	✓	✓	x	x	✓
5. Direct Debit	✓	x	x	x	✓	x
6. Krungthai Bank Counters	✓	✓	✓	x	x	x
7. Alipay and WeChat Pay	✓	x	x	✓	x	x
8. Line Pay	x	✓	x	x	x	x
9. Apple Pay	x	✓	x	x	x	x
10. QR Payment	✓	✓	x	✓	x	x
11. 123Myanmar	✓	x	x	x	x	x

■ **Website and electronics channels distribution**

Website and electronics are the most popular ticket sales channels, accounting for 46% of the total ticket sales in the first 9 months of 2019. Passengers can book their seats at www.nokair.com or on mobile site. These channels offer the highest convenience and most comprehensive services ranging from checking flight routes, schedules, seat reservation, check-in, ancillary service request and reservation for flight connection. Another important channel is application on smart phone that better address the rapid growth of smartphone users, enabling Nok Air to provide more alternative reservation channels and greater convenience for passengers.

■ **Call Center**

Customers can make flight reservation via Nok Air's Call Center 1318 every day from 6.00- 24.00 hrs. For the first 9 months of 2019, Nok Air's ticket sales via Call Center accounted for 2% of the total sales. Although the number is small, it is an important channel for customers to request information and communicate their complaint with the Company.

■ **Airport Counter**

Nok Air's reservation service is available at all airports it operates. As of 30 September 2019, Nok Air has more than 30 sales offices which gain revenue 6% of total sales

■ **Ticket Agents**

Customers can also buy tickets via registered ticket agents nationwide and in neighboring countries. As of 30 September 2019 which accounting for 7% of total sales. Agent booking is efficient for customers who do

not have easy access to the Internet or Call Center. Air fare for customers booking with ticket agents is the same as other channels. It is Nok Air's policy to pay commission fee to ticket agents.

■ **Counter Service**

Counter Service and convenient stores offer convenience for customers to buy tickets easily and quickly. Customers can contact Counter Service in 7-Eleven stores and stand alone Counter Service. As of 30 September 2019, there are 10,000 counter services nationwide. These channels provide Nok Air with more ticket sales channels by 1% that address all customer groups' demand.

■ **Others**

The Company's distribution channels via other channels which are not regular ones include sales through department stores etc., or by sale booth exhibition in various tourism events such as Thai Tiew Thai exhibition, etc. Started from 2017 onward, Nok Air has increased additional payment channels for passengers including Bangkok Bank's auto direct debit service (BBL Direct Debit), payment channel at Big C Super Center (Big C), Rabbit Line Pay service (Rabbit LINE Pay), Apple Pay channel (Apple Pay), payment channel at Tesco Lotus (TESCO Lotus), Alipay channel (Alipay), WeChat Pay channel (WeChat Pay), through Union Pay card, installment payment service for air ticket payment via credit card and QR code channel to facilitate conveniences to passengers.

2.3 Product and Services

Aircraft

Nok Air's policy is to procure aircrafts that appropriately respond to flight demands in each route whether it's primary, secondary and feeder routes. As of 30 September 2019, Nok Air had 2 models of aircraft in its fleet; namely, Boeing 737-800, and Bombardier Q400, for a total of 22 airplanes, all of which are procured through dry lease which means only aircraft is leased with neither pilot nor crew. Nok Air's operating lease agreement normally lasts 7 – 12 years.



(Boeing 737 - 800)



(Bombardier Q400)

Details of Nok Air's Fleet as of 30 September 2019

Type of Aircraft	Number of Aircraft	Capacity (seat per aircraft)	Average Age (year)
Boeing 737 – 800	14	189	5.3
Bombardier Q400	8	86	4.3
Total	22		5.0

Boeing 737-800 is a medium-range haul plane with a narrow body and jet engines. The aircraft is used in primary and secondary routes. Meanwhile and Bombardier Q400 are small two-engine turbo prop aircrafts designed for short-haul flight. Nok Air mostly flies these 2 aircrafts in secondary and feeder routes to suit modest demands along the routes.

- Aircraft Utilization Rate per Aircraft

As Nok Air wishes to maximize its aircraft utilization while ensuring passenger's safety and preventing flight delay that could affect its flight schedules, as of 30 September 2019, Nok Air had a total of 22 aircrafts in its fleet. An average aircraft utilization of all types of aircraft, namely Boeing 737-800 and Bombardier Q400 stood at 9.47 hours per day.

Aircraft Maintenance

Focusing at passenger's safety, Nok Air underlines a perfect flight-ready condition of its aircrafts under the check-up and maintenance criteria of Department of Civil Aviation, the US Federation Aviation Administration (FAA) and the European Aviation Safety Agency (EASA). As full-service aircraft maintenance and repair is capital - intensive and requires specialized technicians, as of September 30, 2019, Nok Air possessed transit check and daily check permits as well as the A-check and Light maintenance permit but it had no maintenance facility of its own to conduct heavy maintenance. Nok Air hired the third - party service provider with aircraft maintenance expertise and facility as well as CAAT and FAA or EASA accreditation to plan its maintenance and to repair and maintain its aircrafts.

Procurement of Fuel

Fuel was Nok Air's major expenses in the first 9 months of 2019 as it accounted for 31.5% of the total service costs. In the past, the Company purchased all fuel through Thai Airways. Later in 2011, the Company started purchasing fuel directly from the oil traders, namely Shell Company of Thailand and PTT Public Company Limited. For the first 9 months of 2019, the Company ordered fuel totaling more than 30% of its total fuel costs from a single supplier. In 2019, the Company engaged in hedging plan with Thai Airways as the supplier offered a better deal in term of price and conditions. However, Nok Air did not exclusively rely upon this supplier and it did not have a policy to continue buying fuel from an exclusive source if terms and conditions as well as price were not better than others as Nok Air was always able to buy fuel from any distributors. However, by sourcing fuel from the world-class oil supplier, Nok Air was able to procure enough fuel at a reasonable price.

Graph of Brent Spot Price during 2013 - 2019 (Unit: USD per Barrel)



Due to the volatility of oil prices, the Board of Directors resolved to allow Nok Air to enter an agreement to hedge oil prices for 24 months period by signing an oil price-hedging agreement with a financial institution based on Nok Air's risk management policy where the ratio of risk hedging was around 30 - 60% of the volume of fuel consumed each month (Partial Hedge). This has increased flexibility to our revenue and cost management, enabling Nok Air to adjust ticket prices for the remaining unsold seats to partially compensate impact from the oil price. This also corresponds to Nok Air's dynamic pricing policy where a range of price is offered and to the advanced booking period offered.

In general, Nok Air's aircrafts will mainly have their tanks filled at Don Mueang International as there are a lot of distributors there which allows the firm to procure fuel at a lower price than it filled in other provinces where a single supplier is usually found. Fuel suppliers who deliver their jet fuel at Don Mueang International Airport usually use the service provided by Bangkok Aviation Fuel Services Public Company Limited ("BAFS"), the single provider allowed to provide a fuel-filling service at Don Mueang International Airport, to store and fill aircraft fuel tanks.

Airport Services

Nok Air offers both ground service and ground support service to its passengers on its own by renting major equipment at various domestic airports such as check-in counter and aerobridge. However, Nok Air also hires the third party with expertise to handle check-in passenger belongings between airport and aircraft as well as to provide transfer buses from gate to aircraft, air-stair and cargo management.

Insurance

Nok Air has bought aviation insurance in accordance with the practices of the international aviation industry. All Nok Air's aircrafts are insured with an insurance firm in Thailand who then reinsures them in the overseas reinsurance market based on the aircraft insurance industry's international practices.

Licenses

- Air Operating License: To operate the air transportation business in Thailand either on a regular or non-regular basis, the Company is required to obtain "Air Operating License" or "AOL" and a "Air Operator Certificate" or "AOC" from the Ministry of Transport and the Civil Aviation Authority of Thailand, respectively. Both licenses are valid for 10 years (18 June 2019- 17 June 2029) and 5 years (23 June 2017- 22 June 2022) respectively. These two licenses indicate that the Company has complied with the Ministry of Transport's regulations on aviation and safety and the Civil Aviation Authority of Thailand in all respects.
- Aircrafts: The Company must register all aircraft of the company with the Civil Aviation Authority of Thailand. The aircraft in the fleet can be used only when the "Certificate of Airworthiness" is issued from the Civil Aviation Authority of Thailand. It lasts 3 years and can be renewed if the aircraft is in perfect condition. The applicant must have Thai nationality. Most of the directors are Thai and the headquarters is located in Thailand, also more than 51% of shares shall be held by Thai.
- Routes: For domestic and international routes, the Company must be obtained the allotment privileges from the Civil Aviation Authority of Thailand and allowed to use the flight schedule every 6 months, divided into every summer and winter. The summer flight schedule runs from the last Sunday of March until the last Saturday of October and the winter flight schedule will run from the last Sunday of October until the last Saturday of March. In addition, the Civil Aviation Authority of Thailand has issued regulations regulating the number of airlines serving to reduce the intense competition on domestic routes as follows.
 - Primary route: The routes that have number of passenger more than 1 million per year
 - Secondary route: The routes that have number of passenger from 100,000 up to 1 million per year
 - Feeder route: The routes that have number of passenger not more than 100,000 per year

Quality, Safety and Security Policy

The Company attaches importance to the quality, safety, and security management system and believe that it is a key element in business operation. Executives and employees at all levels must strictly adhere to a policy of quality, safety and security. The Company uses an aggressive management plan in order to identify risk that may occur and affect air safety, personal injury, equipment or environment damage.

The company has allocated adequate and sufficient resources to meet the requirements of quality, safety, and security management system. All executives and supervisors are responsible for driving and

continuously improving such management system which includes training staff to improve their skills, develop their knowledge and ability, equipment and tools allocation, workplace facilities, and giving a support to employees. Hence, the employee shall be aware of the importance and awareness of the rules, regulation and procedures for quality, safety and security management.

All employees must be physically and mentally ready, have a sense of service mind, and ready to improve quality, safety and security. Also they have a duty to report accidents, unfair actions or behavior to supervisors in order to find ways to prevent them from happening again. Employees must know which behavior deserves to be excluded from punishment, such as involuntary misconduct (Error) and any behavior that must be subject to disciplinary action such as negligence, etc., Employees must always consider their own safety and that of others and also share what has been learned from various unsecured events, let others know, and strive to maintain the quality, safety and security management goals. Employees must be aware and involved in developing that goal together.

Nok Air Executive must check quality, safety and security management in order to comply with the assessment plan and also analyze, follow up, and evaluate the effectiveness of the action plan by using the measurement tools and indicators to evaluate the performance.

All employees have the responsibility to supervise the work of the outside worker and cannot transfer this responsibility to outsiders. The company assures that the use of systems services from outside companies is consistent with quality and safety management standards and requirements.

The Company shall maintain relations with government officials, or other related agencies, and also regularly review, evaluate and develop performance.

The company is committed to operating its business under the framework of the international standard for quality, safety and security.

3. Assets for Operation

Most of assets for operation of the Company are in forms of rental agreement, both of operating lease and space rental. The Company did not book these assets in financial statements, such as airplane, aviation operating center and head office, but recorded as aircraft lease improvement or leasehold improvement. Moreover, as at 30 September 2019, the Company also has assets for operation recorded in financial statements such as office equipment and supplies, vehicles, computer, and computer software programs.

3.1 Aircraft

Aircraft is the main asset for operation of the Company. The company leased aircraft under the duration of the lease, placing a deposit or letter of guarantee, rental fee, aircraft maintenance fee, insurance, delivery and return conditions.

Aircraft Operating Lease Agreement

The Company and its subsidiaries recorded airplane rental as a monthly expense in the statement of comprehensive income, not recorded as an asset in the statement of financial position. All airplanes are registered in Thailand by rental of aircraft from various international lessors. For the first 9 months of 2019, the Company leased aircraft under the contract amounting to Baht 2,808.61 million as follows:

No.	Type or Assets	Number of Airplanes	Lease Term (year)	Remaining Lease Term
1	Boeing 737-800 (Company)	14	7-12	between 1.1 - 9.9 years
2	Q400 NextGen (Company)	8	12	between 6.8 - 8.8years
3	Boeing 777-200 (Subsidiaries)	7	4-8	between 2.6 - 4 years

Key Conditions of Aircraft Operating Lease Agreement

- Payment of rental and maintenance fees for aircraft (Supplemental Rent): After receiving the aircraft, the Company and its subsidiaries have to pay the monthly rental fee at the rate agreed upon in the aircraft lease agreement. Currently, rental rates are fixed throughout the lease term. In addition, the Company must pay for aircraft maintenance. (Supplemental Rent or Maintenance Reserve) as specified in each aircraft lease agreement.
- Deposits for Aircraft: As at 30 September 2019, the Company and its subsidiaries have deposits for aircraft equal to Baht 1,317.64 million.
- Airplane Insurance: The Company and its subsidiaries are required to insure aircraft, engines, spare parts, third-party passengers and third party property in accordance with the international standards of the airline insurance market throughout the lease period. The liability amount will be set out in the Aircraft Lease Agreement and the airline is responsible for premiums.
- Return of Aircraft: The conditions for delivery and return the aircraft will generally be set in the aircraft lease agreement. For the return of the aircraft, the tenant will be responsible for the maintenance costs in accordance with the return conditions. The tenant has set aside such reserve for the expenses throughout the lease term. The amount of the reserve is estimated by the maintenance of Heavy Maintenance plus other expenses expected to occur such as internal conditioning of the cabin, airplane coloring, and engine repair fee, etc.
- Event of Default: If the company defaults on the lease agreement, the lessor can cancel the contract immediately or can use the justice process to claim damages. Any possible default can be summarized as follows:
 - The Company cannot pay the rental fee as determined in the lease agreement.
 - The Company cannot insure as determined in the lease agreement.

- The Company defaults on a large number of other liabilities identified in each lease agreement.
 - The Company is experiencing financial problems or bankruptcy or insolvent debt.
 - The Company ceases its aviation business or sells major assets of the Company.
 - Change of control of the Company.
 - The Company defaults on fees related to airports such as Navigation fee and Landing fee.
- **Covenant:** During the lease, the Company must comply with the terms of the agreement which can be summarized as follows:
 - The company has to lease aircraft for commercial use only and will comply with the terms of the agreement throughout the agreement period. The company will be fined if the aircraft is returned prematurely.
 - The Company must provide important information as agreed in the agreement to the lessor.
 - The Company shall not sublease, unless it has obtained the written consent of the lessor.
 - The Company must allow the agent of the lessor to inspect the aircraft when requested and the lessor will be responsible for the incurred expenses.
 - The Company cannot identify itself as the owner of the aircraft.
 - The Company will keep each aircraft information as promised.
 - The Company will not modify the aircraft, unless it is allowed by the lessor.
 - The Company must maintain and repair the plane as promised.
 - The Company must insure the aircraft under the lease agreement throughout the lease period.
 - The Company is responsible for registering the aircraft with the Civil Aviation Department and submitting a request for licenses from the relevant authorities to make the aircraft commercially legal.
- **Warranty:** To lease the aircraft, the Company must provide a guarantee to the lessor as follows:
 - The Company is legally listed in the country where the company was established.
 - The company is entitled to sign documents and perform various operations in accordance with the substance of the agreement.
 - The Company has no events or any outstanding litigation which will affect the financial status and assets of the Company and causing failure to comply with the agreement.
 - The Company has submitted the statutory financial statements correctly.
 - No event of defaults occurred

Aircraft Maintenance Agreement

The Company has aircraft maintenance agreement with many service providers depending on aircraft type which our main service provider has expertise in aircraft maintenance and has been accepted in industry-standard. The agreement includes A-check, C-Check, Heavy-Check and other significant maintenance that the Company does not have the license to operate.

3.2 Aviation Operating Center and Head Office

The Company has its main aviation operating center and stations at Don Mueang International Airport. The Company leased space at Don Mueang International Airport from the Airports of Thailand Public Company Limited as the aircraft parking lots, spare parts warehouse Office equipment and supplies, and check-in counters. Such lease agreement is for a period of 3 years and the Company has renewed the lease on a continuous basis due to continued flying operations at Don Mueang International Airport.

The head office is located at 3 Rajanakarn Building 17th floor, South Sathorn Road, Sathorn, Bangkok. The Company leases an area of 1,087.92 square meters with the Rajanakarn (2530) Limited Partnership. The lease is valid for 3 years and when it is expired, the Company has the right to renew the lease for a period of 3 years.

3.3 Equipment

As at 30 September 2019, the Company and its subsidiaries have a book value of all equipment totaling Baht 152.26 million. The Company and its subsidiaries record at cost and depreciated on a straight-line basis over the life of the asset, approximately 3-5 years, except for building improvements and leased aircraft improvements (Paint Color). The Company and its subsidiaries will consider the depreciation method on a straight-line basis over the lease term of the aircraft or the actual useful life of the asset.

3.4 Computer Software Programs

As at 30 September 2019, book value of the computer software program is Baht 49.41 million. The Company and its subsidiaries have computer software programs, including Microsoft Windows, seating systems, accounting systems, point of sale (POS) systems and software systems developed by the Company. The Company and its subsidiaries amortized on a straight-line basis over the 3-5 years life or agreement period.

3.5 Account Receivable

Most of the receivables are receivables from the sale of tickets. The corporate customers receive a short term credit from the Company for approximately 30 days. As of 30 September 2019, the Company and its subsidiaries have an allowance for doubtful accounts of approximately Baht 138.40 million, based on aging.

For related accounts receivable, Thai Airways International Public Company Limited, Thai Smile Airways Company Limited, Haad Thip Public Company Limited, Muang Thai Insurance Public Company Limited and Jmax Corporation Company Limited, the transactions are in forms of areas and stations fee, ticket fares from codeshare agreement, and other service fees. As at 30 September 2019, the Company and its subsidiaries have net trade receivables of Baht 1,150.72 million as follows:

Unit: Million Baht

Unit : Million Baht	Value before Writing-Off Bad Debt	Allowance for Doubtful Accounts	Net Trade Receivables
Related accounts receivable	10.60	-	10.60
Other accounts receivable	1,278.52	138.40	1,140.12
Total	1,289.12	138.40	1,150.72

3.6 Inventories

Inventories consist of spare parts and supplies used for aircraft repair and maintenance, purchased goods for sale, and food and drink. The Company and its subsidiaries have a policy to record inventories at cost or net realizable value, whichever is the lower. Cost is calculated by weighted average method. Net realizable value is the estimate of the selling price less the estimated costs necessary to make the sale. The Company and its subsidiaries do not set aside allowance for obsolete inventories or slow moving goods as the company's products are not fashionable. If the product has deteriorated, the Company and its subsidiaries will make the full provision. As of 30 September 2019, the Company and its subsidiaries have inventories of Baht 84.03 million.

3.7 Investment Policy in Subsidiaries

As at 30 September 2019, the Company has a policy to invest in businesses that are related to the Company in order to enhance the Company's competitiveness. Details are as follows.

	Company	Registered Capital (Million Baht)	Share Holding (%)	Objective of Establishment	Status
1	Nok Holiday Co., Ltd.	0.10	The Company holds 49% of ordinary shares and 51% are held by other individual shareholders.	Offer tour and travel service	Active
2	Nok Mangkang Co., Ltd.	10.00	The Company holds 49% of ordinary shares, 50% or preferred shares are held by directors, and 1% of preferred shares are held by other individual shareholders.	To joint venture with Scoot Pte. Ltd. and Puennammitr Co., Ltd. to operate international low-cost airline.	Active

	Company	Registered Capital (Million Baht)	Share Holding (%)	Objective of Establishment	Status
3	Nok Scoot Airlines Co.,Ltd.	2,960.78	Nok Mangkang Co., Ltd., a subsidiary of the Company holds 49.65%, Scoot PTE., LTD holds 49% and Puennammitr Co., Ltd holds another 1.35% of total shares.	To run a low cost airline business for medium and long international routes with wide body	Active

Nok Air focuses on investing in subsidiaries and joint ventures with high growth potential and good return on investment in order to ensure its leading market position as a budget airline that provides the most comprehensive services. Any investment permission shall be in response to the Capital Market Supervisory Board's announcement on significant transaction related to asset acquisition and distribution and the announcement of the Securities and Exchange of Thailand on disclosure of information and guideline for listed company in Acquisition or Distribution of Assets B.E. 2547 (2004).

Nok Air is interested particularly in long-term investment in the above mentioned businesses by considering the fundamental of the target business and trend in that business sector. In addition, the Company has a policy to make investment in a substantial ratio in order to obtain the right to participate in the management and formulation of business direction of the subsidiary and joint venture or jointly controlled entity. In addition, the Company is committed to supporting these subsidiaries, joint ventures and associated companies to achieve sustainable growth in the future.

The Company may consider investment in other related businesses. Investment made shall directly address the nature of business and the corporate strategy. Before making investment, Nok Air will conduct a feasibility study for the project, and consider project potential and investment risks before submitting the investment plan for the Board of Directors' consideration and recommendation in order to mitigate such investment risks.

3.8 Investment in Joint Venture

The Company invest in Air Black Box Asia Pacific Pte Ltd., which is a company incorporated in Singapore and operates in platform for airline reservation systems, in the amount of SGD 1.15 million or equivalent to Baht 28.42 million which has shareholding portion at 13.0435% of its registered and paid-up share capital.

On 29 March 2019, the Board of Directors' meeting of NokScoot Airlines Company Limited (the subsidiary) approved to invest in Line Maintenance Partnership (Thailand) Co., Ltd., which is a company incorporated

in Thailand and operates in platform for line maintenance service with the registered capital of Baht 63.68 million. The subsidiary invested in the portion of 50.9998% of its registered capital or equivalent to Baht 32.48 million. On the same date, the Company entered into Joint Venture Agreement and related agreement of Line Maintenance Partnership (Thailand) Co., Ltd. with SIA Engineering Co., Ltd. and a management of Nok Airlines Public Company Limited. The proportion of investment for the subsidiary, SIA Engineering Co., Ltd. and a management of Nok Airlines Public Company Limited are by 50.9998%, 49% and 0.0002%, respectively.

Subsequently in August 2019, the subsidiary paid the first payment in Line Maintenance Partnership (Thailand) Co., Ltd., by Baht 8.12 million which the investment paid has portion at 25% from the proportion of investment of 50.9998% as stipulated in the agreement.

3.9 Long Term Investment Policy

The Company and its subsidiary applied for a membership of The Aeronautical Radio of Thailand Limited in 2004 and 2015, respectively, 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.

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.

3.10 Other Related Agreements

Codeshare Agreement and Charter Agreement

Currently, the company has entered into codeshare agreement with Thai Airways International and the codeshare agreement with Thai Smile Airways Co., Ltd., which is common in the aviation industry. The

purpose is to broaden the marketing network widely in order to strengthen the brand and reduce operating costs.

Key Terms of Agreements	<ol style="list-style-type: none"> Both parties agree to cooperate in providing flight services, one party shall be the operating carrier and the other shall be the marketing carrier. The operating carrier shall provide the airplane for those passengers purchasing the tickets from the marketing carrier. The operating carrier shall provide the service for those passengers purchasing the tickets from the marketing carrier in the same way it serves its own passengers.
Routes	<u>Thai Airways (codeshare)</u> : Don Mueang – Mae Hong Son – Don Mueang
Termination of Agreement	<ol style="list-style-type: none"> In an event of termination, the party wishing to terminate the agreement shall notify the other in writing at least 60 days in advance. The party can terminate the agreement immediately if the other party is in bankruptcy or into the rehabilitation plan. If either party breaches the agreement, the other party has the right to terminate the agreement immediately and such party that breaches the agreement must indemnify the defendant within 30 days from the notified date

Luggage and Cargo Carriers Agreement

The involved parties	Employer : Nok Airlines Public Company Limited (“the Company”) Contractor : PanThai Cargo Express Company Limited (“PanThai”)
Key terms of the agreement	<ol style="list-style-type: none"> The contractor agrees to provide service for loading/unloading baggage and cargo. The Company gives PanThai a right to sell air freight to the public.
Period	The first agreement was signed on 1 April 2006 and if there is no termination of the agreement, the agreement will continue to be considered without any age.
Termination of Agreement	<ol style="list-style-type: none"> In an event of termination, the party must notify the other party at least 60 days in advance. If either party breaches the agreement, the other party has the right to terminate the agreement immediately.

Ground Support Equipment Agreement

The involved parties	Employer : Nok Airlines Public Company Limited (“the Company”) Contractor: Wingserve Company Limited (“Wingserve”)
Key terms of the agreement	The contractor agrees to provide ground support equipment to the aircraft.
Period	The first agreement was signed on 25 March 2015 and can be reviewed for extension every year.

The involved parties	Employer : Nok Airlines Public Company Limited (“the Company”) Contractor: Full Facility Company Limited (“Full Facility”)
Key terms of the agreement	The contractor agrees to provide ground staff for servicing the employer.
Period	The first agreement was signed on 17 May 2007 and valid for 1 year with review for extension every year.

4. Details of Directors, Management, and Major Shareholders

As of 2 January 2020, the management structure comprises Board of Directors, Audit Committee and 4 sub-committees which are Executive Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance Committee. The details of which are as follows:

The Board of Directors

As of 2 January 2020, the Board of Directors is comprised of the following 12 members:

No.	Name	Position
1	Mr. Prasert Bunsumpun	Independent Director / Chairman of the Board
2	Mr. Pravej Ongartsittigul	Director / Chairman of the Executive Committee
3	Mrs. Nalinee Ngamsetthamas	Director
4	ACM. Dr. Nopporn Chandawanich	Director / Executive Committee
5	Mr. Wutthiphum Jurangkool	Director / Executive Committee / Chief Executive Officer / Acting Chief Financial Officer
6	Mr. Chavalit Uttasart	Director
7	Mr. Sumeth Damrongchaitham	Director
8	Mr. Wiwat Piyawiroj	Director
9	Mrs. Chiraporn Chemnasiri	Independent Director / Chairman of the Audit Committee / Nomination and Remuneration Committee
10	Mr. Apichart Chirabandhu	Independent Director / Chairman of the Nomination and Remuneration Committee / Audit Committee
11	Mr. Visit Tantisunthorn	Independent Director / Audit Committee / Risk Management Committee
12	Mrs. Heather Mary Suksem (OBE)	Independent Director / Corporate Governance Committee

Audit Committee

As of 2 January 2020, the Audit Committee is comprised of the following 3 members:

No.	Name	Position
1	Ms. Chiraporn Chemnasir	Chairman of the Audit Committee
2	Mr. Apichart Chirabandhu	Audit Committee
3	Mr. Visit Tantisunthorn	Audit Committee

Remark: * Ms. Chiraporn Chemnasir has sufficient knowledge and experience in accounting and finance to audit the reliability of financial statements

Executive Committee

As of 2 January 2020, the Executive Committee is comprised of the following 4 members:

No.	Name	Position
1	Mr. Pravej Ongartsittigul	Chairman of the Executive Committee
2	ACM. Dr. Nopporn Chandawanich	Executive Committee
3	Mr. Teerapol Chotichanapibal	Executive Committee
4	Mr. Wutthiphum Jurangkool	Executive Committee

Nomination and Remuneration Committee

As of 2 January 2020, the Nomination and Remuneration Committee is comprised of the following 2 members:

No.	Name	Position
1	Mr. Apichart Chirabandhu	Chairman of the Nomination and Remuneration Committee
2	Mrs. Chiraporn Chemnasiri	Nomination and Remuneration Committee

Risk Management Committee

As of 2 January 2020, the Risk Management Committee is comprised of the following 3 members:

No.	Name	Position
1	Mr. Sorasit Soontornkes	Chairman of the Risk Management Committee
2	Mr. Visit Tantisunthorn	Risk Management Committee
3	Mr. Prasert Akkharapathompong	Risk Management Committee

Corporate Governance Committee

As of 2 January 2020, the Corporate Governance Committee is comprised of the following 3 members:

No.	Name	Position
1	Gen. Pornchai Kranlert	Chairman of the Corporate Governance Committee
2	Mrs. Heather Mary Suksem (OBE)	Corporate Governance Committee
3	Mr. Nivat Bangsa-ngiam	Corporate Governance Committee

The Management

As of 2 January 2020, the Management is comprised of the following 2 members:

No.	Name	Position
1	Mr. Wutthiphum Jurangkool	Chief Executive Officer/ Acting Chief Financial Officer
2	Ms. Raj Tanta-nanta	Deputy Chief Executive Officer

Major Shareholders

Major shareholders of the Company as of 27 December 2019, the date for gathering the name of shareholders for Extraordinary General Meeting of Shareholders No. 1/2020 by closing the share register book are as follows:

No.	Name	Amount of Shares held (Shares)	Percentage of Paid-up Capital
1	Mrs. Hathairatn Jurangkool	757,636,442	24.373
2	Mr. Nuttapol Jurangkool	756,085,132	24.323
3	Mr. Thaveechat Jurangkool	652,167,437	20.980
4	Thai Airways International Public Company Limited	495,390,721	15.937
Total		2,661,279,732	85.613

5. History of Capital Increase and Dividend Payment of the Previous 3 Years

5.1 Capital Increase

Year	Registered Capital before Changes	Changes	Registered Capital after Changes	Paid-up Capital before Changes	Changes	Paid-up Capital after Changes
2016	625.00	-	625.00	625.00	-	625.00
2017	625.00	781.25	1,406.25	625.00	510.99	1,135.99
2017	1,406.25	1,092.99 ¹	2,499.25	1,135.99	1,135.99 ²	2,272.00
2018	2,499.25	-	2,499.25	2,272.00	-	2,272.00
2019	2,499.25	908.80	3,408.05	2,272.00	836.52	3,108.52

Remark:

¹ The Extraordinary General Meeting of Shareholders No. 1/2017 has passed a resolution to decrease capital at the amount of Baht 114,000,118, from Baht 1,406,250,000 to Baht 1,292,249,882 by canceling 114,000,118 shares authorized but unissued, at a par value of Baht 1 per share and also approved the capital increase at the amount of Baht 1,207,000,000 in order to reserve for Right Offering 1,135,999,882 shares, and reserve for the exercise of NOK-W1 71,000,118 shares.

² In the case that the shareholders exercise all their rights to subscribe the newly issued ordinary shares (Rights Offering), the paid-up capital of the Company shall increase to 2,271,999,796 shares.

5.2 Dividend Payment

The Company's dividend payment policy is at the rate of not lower than 25% of its net profit based in the Company's financial statement after deducted corporate income tax and after deducted statutory reserves each year. The 3-year historical dividend payment is as follows:

Year	2016	2017	2018
Earnings per share	(4.47)	(1.63)	(1.23)
Dividend per share	-	-	-
Dividend Payout (%)	-	-	-

Remark: The ratio is based on the consolidated financial statement

Part 3 - Summary of Financial Statement of Nok Airlines Public Company Limited and its subsidiaries

Statement of Financial Position	31 December 2016		31 December 2017		31 December 2018		30 September 2019	
	Million Bath	%	Million Bath	%	Million Bath	%	Million Bath	%
Assets								
Cash and cash equivalents	3,231.2	53.8	3,169.85	21.8	1,419.9	10.1	714.4	4.8
Temporary investments	-	-	-	-	9.2	0.1	9.0	0.1
Trade and other current receivables	1,182.4	19.7	1,449.5	10.0	2,008.9	14.3	2,290.6	15.4
Inventories	31.4	0.5	32.2	0.2	50.2	0.4	84.0	0.6
Refundable value-added tax	132.5	2.2	-	-	-	-	-	-
Short-term aircraft deposits and Prepayments	162.8	2.7	26.6	0.2	375.0	2.7	297.2	2.0
Other current assets	79.4	1.3	103.6	0.7	101.9	0.7	150.8	1.0
Total Current Assets	4,819.7	80.3	4,781.7	32.9	3,965.1	28.2	3,545.9	23.8
Deposits at bank pledged as collateral	251.4	4.2	1,300.9	9.0	1,122.9	8.0	1,197.6	8.0
Investments in Joint Venture	15.2	0.3	6.9	0.0	1.4	0.0	8.1	0.1
Other long-term investments	47.6	0.8	46.7	0.3	46.7	0.3	46.2	0.3
Reserve for maintenance	-	-	7,192.5	49.5	7,788.3	55.3	8,768.1	58.59
Leasehold improvements and equipment	338.5	5.6	266.1	1.8	206.8	1.5	152.3	1.0
Intangible assets	65.2	1.1	47.5	0.3	45.7	0.3	49.4	0.3
Deferred tax assets	13.3	0.2	13.3	0.1	13.3	0.1	13.3	0.1
Long-term aircraft deposits and prepayments	417.4	7.0	827.8	5.7	820.1	5.8	1,020.5	6.9
Other non-current assets	32.5	0.5	39.4	0.3	63.8	0.5	87.6	0.6
Total Non-Current Assets	1,181.1	19.7	9,740.9	67.1	10,109.0	71.8	11,343.0	76.2
Total Assets	6,000.8	100.0	14,522.6	100.0	14,074.1	100.0	14,888.9	100.0
Liabilities								
Short-term loans financial institutions	700.0	11.7	700.0	4.8	2,400.0	17.1	2,810.0	18.9
Trade and other current payables	4,467.3	74.4	4,861.5	33.5	5,905.9	42.0	5,264.5	35.4
Deferred income from customer loyalty program	19.9	0.3	18.5	0.1	18.3	0.1	33.4	0.2
Short-term provisions for aircraft maintenance	128.2	2.1	108.8	0.7	120.6	0.9	79.1	0.5
Withholding tax payable	23.9	0.4	-	-	-	-	-	-
Other current liabilities	45.5	0.8	31.0	0.2	15.3	0.1	23.0	0.2
Total Current Liabilities	5,383.9	89.7	5,719.8	39.4	8,460.1	60.1	8,210.0	55.1
Long-term provisions for aircraft maintenance	644.5	10.7	7,771.7	53.5	8,276.4	58.8	9,194.3	61.8
Employee benefit obligations	222.9	3.7	242.2	1.7	273.9	1.9	174.2	1.2
Other non-current liabilities	89.0	1.5	97.9	0.7	95.2	0.7	87.1	0.6
Total Non-Current Liabilities	956.5	15.9	8,111.8	55.9	8,645.6	61.4	9,455.6	63.5

Statement of Financial Position	31 December 2016		31 December 2017		31 December 2018		30 September 2019	
	Million Bath	%	Million Bath	%	Million Bath	%	Million Bath	%
Total Liabilities	6,340.4	105.7	13,831.6	95.2	17,105.7	121.5	17,665.6	118.6
Shareholders' equity								
Paid-up capital	625.0	10.4	2,272.0	15.6	2,272.0	16.1	3,108.5	20.9
Share premium	3,042.5	50.7	4,325.9	29.8	4,325.9	30.7	5,789.8	38.9
Retained earnings Appropriated Legal reserve	62.5	1.1	62.5	0.4	62.5	0.4	62.5	0.4
Unappropriated	(3,485.1)	(58.1)	(5,339.4)	(36.8)	(8,122.0)	(57.7)	(9,614.3)	(64.6)
Deficit from change in shareholding in a subsidiary	(5.9)	(0.1)	(5.9)	(0.0)	(5.9)	(0.0)	(5.9)	(0.0)
Total Shareholders' equity attributable to owners of the Company	239.0	4.0	1,315.0	9.1	(1,467.6)	(10.4)	(659.4)	(4.4)
Non-controlling interests	(578.6)	(9.6)	(624.0)	(4.3)	(1,564.1)	(11.1)	(2,117.3)	(14.2)
Total Shareholders' equity	(339.6)	(5.7)	691.0	4.8	(3,031.6)	(21.5)	(2,776.7)	(18.6)
Total Liabilities and Shareholders' equity	6,000.8	100.0	14,522.6	100.0	14,074.1	100.0	14,888.9	100.0

Source: Company's financial statement

Statement of Comprehensive Income	31 December 2016		31 December 2017		31 December 2018		Jan-Sep 2018		Jan-Sep 2019	
	Million Bath	%	Million Bath	%	Million Bath	%	Million Bath	%	Million Bath	%
Passenger revenues	14,762.4	87.2	17,386.0	85.3	16,699.7	84.6	12,881.7	84.6	12,234.8	83.7
Service revenues	1,463.2	8.6	2,186.1	10.7	2,560.1	13.0	1,938.9	12.7	2,113.7	14.5
Other income	712.7	4.2	804.6	3.9	480.4	2.4	403.6	2.7	264.5	1.8
Total Revenue	16,938.3	100.0	20,376.7	100.0	19,740.2	100.0	15,224.1	100.0	14,613.0	100.0
Costs of passenger and services	19,087.5	112.7	21,031.6	103.2	22,551.2	114.2	16,968.4	111.5	15,924.3	109.0
Selling expenses	190.3	1.1	178.5	0.9	177.2	0.9	137.7	0.9	160.3	1.1
Administrative expenses	798.2	4.7	994.1	4.9	937.2	4.7	703.2	4.6	851.1	5.8
Finance costs	118.1	0.7	63.8	0.3	44.6	0.2	22.9	0.2	79.9	0.5
Total Expenses	20,194.1	119.2	22,268.0	109.3	23,710.2	120.1	17,832.2	117.1	17,015.5	116.4
Share of loss on investment in joint venture	14.1	0.1	(8.3)	(0.0)	(5.5)	(0.0)	4.2	(0.0)	(1.4)	(0.0)
Loss before income tax	(3,269.9)	(19.3)	(1,899.7)	(9.3)	(3,975.4)	(20.1)	(2,612.4)	(17.2)	(2,404.0)	(16.5)
Income tax expense	0.1	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Loss for the year	(3,270.0)	(19.3)	(1,899.7)	(9.3)	(3,975.4)	(20.1)	(2,612.4)	(17.2)	(2,404.0)	(16.5)
Total comprehensive loss for the year	(3,281.8)	(19.4)	(1,899.7)	(9.3)	(3,958.9)	(20.1)	(2,612.4)	(17.2)	(2,280.9)	(15.6)
Loss attributable to										
Owners of the parent	(2,808.3)		(1,854.3)		(2,782.6)		(1,962.6)		(1,492.3)	
Non-controlling interests	(473.5)		(45.4)		(1,175.5)		(649.8)		(788.7)	
	(3,281.8)		(1,899.7)		(3,958.0)		(2,612.4)		(2,280.9)	
Loss per Share (Baht)	(4.47)		(1.63)		(1.23)		(0.86)		(0.54)	

Source: Company's financial statement

Statements of Cash Flows (Unit: Million Baht)	31 December 2016	31 December 2017	31 December 2018	Jan-Sep 2018	Jan-Sep 2019
Net cash provided by (used in) operating activities	(1,383.3)	(2,962.3)	(3,754.4)	(2,703.6)	(3,595.8)
Net cash provided by (used in) investing activities	178.3	(8.9)	193.1	(21.3)	210.0
Net cash provided by (used in) financing activities	164.6	2,866.6	1,662.6	579.5	2,634.3
Effect of exchange rate changes on cash and cash equivalent	57.9	43.2	148.8	123.9	46.0
Net increase (decrease) in cash and cash equivalent	(982.5)	(61.4)	(1,750.0)	(2,021.5)	(705.5)
Cash and cash equivalents, beginning balance	4,213.8	3,231.2	3,169.8	3,169.8	1,419.9
Cash and cash equivalents, ending balance	3,231.2	3,169.8	1,419.9	1,148.4	714.4

Source: Company's financial statement

Financial Ratios	Unit	31 December 2016	31December 2017	31December 2018	Jan-Sep 2019
Liquidity Ratios					
Average Collection Period	Days	5.8	7.0	12.1	19.0 ¹
Average Holding Period	Days	0.5	0.5	0.7	1.1 ¹
Period of Ticket Distribution in Advance	Times	28.1	24.3	25.3	24.6
Disbursement Period	Days	16.3	18.0	30.0	39.2
Cash Cycle	Days	(38.1)	(34.8)	(42.5)	(43.7)
Profitability Ratios					
Operating Profit Margin Before Fuel Cost	%	3.3	18.8	17.7	20.2
Operating Profit Margin	%	(19.3)	(9.3)	(20.1)	(16.5)
EBITDAR Profit Margin	%	4.9	11.7	(0,0)	2.8
Net Profit Margin	%	(19.3)	(9.3)	(20.1)	(16.5)
Return on Equity	%	(170.1)	(238.7)	(3,648.4)	(140.3) ¹

Financial Ratios	Unit	31 December 2016	31December 2017	31December 2018	Jan-Sep 2019
Efficiency Ratios					
Return on Assets	%	(49.9)	(18.5)	(27.8)	(16.6) ¹
Return on Fixed Assets	%	(1,022.8)	(595.8)	(1,639.7)	(1,299.7) ¹
Asset Turnover	Times	2.58	1.99	1.38	1.01 ¹
Financial Policy Ratios					
Debt to Equity Ratio	Times	26.54	10.52	(11.66)	(26.79)
Coverage Obligations Ratio	Times	0.19	0.56	(0.00)	0.14
Dividend Payout	%	-	-	-	-
Net Profit per Share	THB	(4.47)	(1.63)	(1.23)	(0.54)

Remark: Adjusted figures for the nine months ended September 30, 2019 are annualized to compare.