

Thai AirAsia Company Limited
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2023



EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลครัชดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Thai AirAsia Company Limited

I have reviewed the accompanying statement of financial position of Thai AirAsia Company Limited as at 30 September 2023, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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



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Emphasis of Matter

I draw attention to Note 1.2 to the interim financial statements, the COVID-19 pandemic in the past several years has resulted in an adverse impact on the tourism and hospitality industries. This directly affects the Company's aviation business. Despite the improvements in the COVID-19 situation, the total number of flights has yet to reach closed to the pre-pandemic levels. This situation has significantly affected the Company's financial position, operating results, and cash flows. Therefore, the statement of financial position as at 30 September 2023 presented capital deficits and the Company's total current liabilities exceeded its total current assets by significant amount.

Currently, the management is in the process of implementing various measures to modify business plans, reduce costs and postpone repayments and expenses to manage the Company's liquidity and its cash flows, and the management believes that the Company will be able to continue as a going concern. The financial statements have been prepared under the going concern basis. However, the success of business plans of the Company and its parent company depends on external factors. This indicates that there are material uncertainties which may raise substantial doubt about the Company's ability to continue as a going concern.

My conclusion is not modified in respect of this matter.

Kunlapee Piyawannasuth

Certified Public Accountant (Thailand) No. 6137

EY Office Limited

Bangkok: 13 November 2023

Thai AirAsia Company Limited
Statement of financial position
As at 30 September 2023

		(Unit: Thousand Baht)	
	Note	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		944,837	794,058
Trade and other receivables	3	1,154,270	848,917
Amounts due from related parties	2	5,643,689	2,539,743
Inventories		340,663	401,262
Current tax assets		8,312	5,595
Prepaid expenses		1,281,822	450,868
Other current financial assets	2	79,398	184,600
Derivative assets	18	270	874
Total current assets		9,453,261	5,225,917
Non-current assets			
Other non-current financial assets	2	1,751,977	1,265,347
Derivative assets	18	-	583
Investment in subsidiary		2,500	2,500
Aircraft maintenance reserves	2, 4	2,083,246	2,687,676
Property, building, aircraft, leasehold improvements and equipment	5	4,082,632	4,185,034
Right-of-use assets	6	23,458,204	25,025,902
Intangible assets		2,190	3,467
Investment properties	7	506,307	514,261
Deferred tax assets		5,627,602	5,049,714
Total non-current assets		37,514,658	38,734,484
Total assets		46,967,919	43,960,401

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

Thai AirAsia Company Limited

Statement of financial position (continued)

As at 30 September 2023

		(Unit: Thousand Baht)	
	Note	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Short-term borrowings from financial institutions	8	1,250,000	750,000
Short-term debentures		-	742,934
Short-term borrowings from parent company	2	-	89,000
Trade payables		1,454,635	1,463,521
Other payables		425,932	392,276
Amounts due to related parties	2	2,116,880	1,468,793
Current portion of long-term borrowings from financial institutions	9	927,520	827,952
Current portion of long-term debentures	10	1,424,637	999,757
Current portion of liabilities under lease agreements	2, 11	5,815,410	6,331,068
Unearned income		6,152,245	4,750,937
Accrued expenses		6,324,352	4,136,907
Derivative liabilities	18	5,011	74,154
Total current liabilities		25,896,622	22,027,299
Non-current liabilities			
Long-term borrowings from financial institutions - net of current portion	9	2,356,769	2,560,339
Long-term debentures - net of current portion	10	2,669,522	1,417,798
Liabilities under lease agreements - net of current portion	2, 11	30,456,939	30,125,390
Provision for long-term employee benefits		820,070	732,794
Derivative liabilities	18	184	1,650
Total non-current liabilities		36,303,484	34,837,971
Total liabilities		62,200,106	56,865,270

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

Thai AirAsia Company Limited

Statement of financial position (continued)

As at 30 September 2023

	Note	30 September 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
(Unit: Thousand Baht)			
Shareholders' equity			
Share capital	12		
Registered			
96,796,952 ordinary shares of Baht 10 each			
(31 December 2022: 94,618,327 ordinary shares of Baht 10 each)		967,970	946,183
Issued and fully paid up			
96,796,952 ordinary shares of Baht 10 each			
(31 December 2022: 94,618,327 ordinary shares of Baht 10 each)		967,970	946,183
Premium on ordinary shares		12,018,159	12,018,159
Retained earnings (deficits)			
Appropriated - statutory reserve		43,556	43,556
Unappropriated		(28,261,872)	(25,912,767)
Total shareholders' equity (capital deficits)		(15,232,187)	(12,904,869)
Total liabilities and shareholders' equity		46,967,919	43,960,401
		-	-

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

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Directors
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(Unaudited but reviewed)

Thai AirAsia Company Limited

Statement of comprehensive income

For the three-month period ended 30 September 2023

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

	Note	2023	2022
Profit or loss:			
Revenues			
Revenues from sales and services		9,662,171	4,811,189
Other income		236,547	81,122
Total revenues		<u>9,898,718</u>	<u>4,892,311</u>
Expenses			
Cost of sales and services		9,635,444	6,618,493
Selling and distribution expenses		508,036	149,714
Administrative expenses		396,882	264,089
Other expenses	13	892,561	2,872,042
Total expenses		<u>11,432,923</u>	<u>9,904,338</u>
Loss from operating activities		(1,534,205)	(5,012,027)
Finance income		7,283	7,451
Finance costs		(596,390)	(625,145)
Loss before income tax revenue		(2,123,312)	(5,629,721)
Income tax revenue	14	428,930	1,578,082
Loss for the period		<u>(1,694,382)</u>	<u>(4,051,639)</u>
Other comprehensive income:			
Other comprehensive income for the period	14	-	-
Total comprehensive income for the period		<u>(1,694,382)</u>	<u>(4,051,639)</u>
Loss per share	15		
Basic loss per share		(17.80)	(42.82)
Weighted average number of ordinary shares (Thousand shares)		<u>95,210</u>	<u>94,618</u>

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

(Unaudited but reviewed)

Thai AirAsia Company Limited

Statement of comprehensive income

For the nine-month period ended 30 September 2023

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

	Note	2023	2022
Profit or loss:			
Revenues			
Revenues from sales and services		28,784,258	9,289,434
Other income		755,947	213,745
Total revenues		<u>29,540,205</u>	<u>9,503,179</u>
Expenses			
Cost of sales and services		26,575,229	15,941,605
Selling and distribution expenses		1,349,130	383,315
Administrative expenses		889,484	738,021
Other expenses	13	2,037,516	5,163,134
Total expenses		<u>30,851,359</u>	<u>22,226,075</u>
Loss from operating activities		(1,311,154)	(12,722,896)
Finance income		23,401	20,782
Finance costs		(1,639,240)	(1,736,683)
Loss before income tax revenue		(2,926,993)	(14,438,797)
Income tax revenue	14	577,888	3,141,489
Loss for the period		<u>(2,349,105)</u>	<u>(11,297,308)</u>
Other comprehensive income:			
<i>Other comprehensive income to be reclassified</i>			
<i>to profit or loss in subsequent periods:</i>			
Gain on cash flow hedges - net of income tax		-	115,899
Net change in cost of cash flow hedges - net of income tax		-	(5,025)
Other comprehensive income for the period	14	<u>-</u>	<u>110,874</u>
Total comprehensive income for the period		<u>(2,349,105)</u>	<u>(11,186,434)</u>
Loss per share	15		
Basic loss per share		(24.77)	(126.60)
Weighted average number of ordinary shares (Thousand shares)		<u>94,818</u>	<u>89,234</u>

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

(Unaudited but reviewed)

Thai AirAsia Company Limited

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2023

(Unit: Thousand Baht)

	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings (deficits)		Other components of shareholders' equity		Total other components of shareholders' equity	Total shareholders' equity (capital deficits)
			Appropriated	Unappropriated	Other comprehensive income			
					Cash flow hedge reserve	Cost of hedging reserve		
Balance as at 1 January 2022	636,713	6,327,629	43,556	(17,852,071)	(115,899)	5,025	(110,874)	(10,955,047)
Loss for the period	-	-	-	(11,297,308)	-	-	-	(11,297,308)
Other comprehensive income for the period	-	-	-	-	115,899	(5,025)	110,874	110,874
Total comprehensive income for the period	-	-	-	(11,297,308)	115,899	(5,025)	110,874	(11,186,434)
Issuance new ordinary shares	309,470	5,690,530	-	-	-	-	-	6,000,000
Balance as at 30 September 2022	<u>946,183</u>	<u>12,018,159</u>	<u>43,556</u>	<u>(29,149,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,141,481)</u>
Balance as at 1 January 2023	946,183	12,018,159	43,556	(25,912,767)	-	-	-	(12,904,869)
Loss for the period	-	-	-	(2,349,105)	-	-	-	(2,349,105)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(2,349,105)	-	-	-	(2,349,105)
Issuance new ordinary shares (Note 12)	21,787	-	-	-	-	-	-	21,787
Balance as at 30 September 2023	<u>967,970</u>	<u>12,018,159</u>	<u>43,556</u>	<u>(28,261,872)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,232,187)</u>

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

(Unaudited but reviewed)

Thai AirAsia Company Limited

Cash flow statement

For the nine-month period ended 30 September 2023

	(Unit: Thousand Baht)	
	2023	2022
Cash flows from operating activities		
Loss before tax	(2,926,993)	(14,438,797)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:		
Expected credit losses and bad debt	396,012	32,704
Depreciation and amortisation	3,686,483	4,719,219
(Gain) loss on disposals and write-off of aircraft and equipment	(1,726)	39,063
Long-term employee benefits expenses	95,320	108,941
(Gain) loss on derivatives	(69,422)	17,454
Unrealised loss on exchange	2,269,457	5,546,076
Finance income	(23,401)	(20,782)
Finance cost	1,639,240	1,736,683
Profit (loss) from operating activities before changes in operating assets and liabilities	5,064,970	(2,259,439)
Operating assets (increase) decrease		
Trade and other receivables	(315,209)	(334,005)
Amounts due from related parties	(3,401,972)	(778,988)
Inventories	60,599	(50,750)
Prepaid expenses	(830,954)	(282,387)
Other current financial assets	103,639	159,666
Other non-current financial assets	(77,467)	(146,324)
Operating liabilities increase (decrease)		
Trade payables	(193,882)	(141,073)
Other payables	19,472	(374,779)
Amounts due to related parties	562,004	(540,963)
Unearned income	1,340,893	2,243,245
Accrued expenses	2,077,512	1,303,707
Provision for long-term employee benefits	(8,044)	(7,086)
Cash flows from (used in) operating activities	4,401,561	(1,209,176)
Cash paid for income tax	(2,717)	(1,215)
Net cash flows from (used in) operating activities	4,398,844	(1,210,391)

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

(Unaudited but reviewed)

Thai AirAsia Company Limited

Cash flow statement (continued)

For the nine-month period ended 30 September 2023

	(Unit: Thousand Baht)	
	2023	2022
Cash flows from investing activities		
Payments for aircraft maintenance reserves	(209,615)	-
Payments for deposit aircraft maintenances	(321,364)	-
Payments for building, aircraft, leasehold improvements, equipment and investment properties	(168,314)	(107,222)
Payment for intangible assets	(362)	-
Proceeds from disposals of aircraft and equipment	7,620	3,873,371
Cash paid for right-of-use assets	(1,936)	(112,977)
Interest received	2,525	211
Net cash flows from (used in) investing activities	(691,446)	3,653,383
Cash flows from financing activities		
Net increase in short-term borrowing from financial institution	500,000	-
Net decrease in short-term borrowings from parent company	(89,000)	(2,450,000)
Net increase (decrease) in short-term debentures	(750,000)	670,000
Proceeds from long-term borrowing from financial institution	562,500	30,000
Payment for front-end fee	(52,003)	-
Repayments of long-term borrowings from financial institutions	(650,719)	(554,389)
Proceeds from long-term debenture	2,700,000	1,413,606
Repayments of long-term debentures	(1,000,000)	(1,800,000)
Cash paid for liabilities under lease agreements	(4,414,980)	(3,133,862)
Payments for early termination of lease agreements	-	(1,719,197)
Interest paid	(398,382)	(258,042)
Received cash from paid-up capital	21,787	6,000,000
Net cash flows used in financing activities	(3,570,797)	(1,801,884)
Net increase in cash and cash equivalents	136,601	641,108
Cash and cash equivalents at beginning of the period	794,058	711,044
Unrealised exchange gain on cash and cash equivalents	14,178	8,741
Cash and cash equivalents at end of the period	944,837	1,360,893

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

(Unaudited but reviewed)

Thai AirAsia Company Limited

Cash flow statement (continued)

For the nine-month period ended 30 September 2023

	(Unit: Thousand Baht)	
	2023	2022
Non-cash items:		
Increase (decrease) in other payables from acquisitions of equipment	12,004	(50,222)
Increase in accrued expense from front end fee	-	9,914
Transfer of property, leasehold improvements and equipment to investment properties	232	-
Transfer of investment properties to property, leasehold improvements and equipment	-	18,718
Transfer of right-of-use assets to aircraft	-	3,212,137
Increase in right-of-use assets and liabilities under lease agreements from new lease agreements	9,506	2,739,979
Transfer of deposits for lease of aircraft to right-of-use assets from new lease agreements	251	-
Increase in right-of-use assets and liabilities under lease agreements from lease remeasurements	908,761	713,622
Transfer of deposits for lease of aircraft to right-of-use assets from lease remeasurement	26,226	16,688
Decrease in lease liabilities from offsetting with amounts due to related parties	12,505	688,341
Increase in other payables from aircraft maintenance reserves	52,501	-
Increase in amounts due to related parties from aircraft maintenance reserves	73,578	-
Decrease in trade payable from other non-current finance assets	2,445	-

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

Thai AirAsia Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2023

1. General information

1.1 The Company's general information

Thai AirAsia Company Limited (“the Company”) is a limited company incorporated and domiciled in Thailand. Its parent company is Asia Aviation Public Company Limited, a company listed in the Stock Exchange of Thailand, and incorporated in Thailand. The Company is principally engaged in low-fare airline business company. Its registered address is at 222, Don Mueang International Airport, Central Office Building, Room no. 3200, 3rd floor, Vibhavadee Rangsit Road, Sanam Bin Sub-District, Don Mueang District, Bangkok.

1.2 Coronavirus 2019 (COVID-19) Pandemic

The COVID-19 pandemic in the past several years has resulted in an adverse impact on the tourism and hospitality industries. This directly affects the Company's aviation business. Despite the improvements in the COVID-19 situation, the total number of flights has yet to reach closed to the pre-pandemic levels. This situation has significantly affected the Company's financial position, operating results, and cash flows. Therefore, the statement of financial position as at 30 September 2023 presented capital deficits and the Company's total current liabilities exceeded its total current assets by significant amount.

Currently, the management is in the process of implementing various measures to modify business plans, reduce costs and postpone repayments and expenses to manage the Company's liquidity and its cash flows, and the management believes that the Company will be able to continue as a going concern. The financial statements have been prepared under the going concern basis. However, the success of business plans of the Company and its parent company depends on external factors. This indicates that there are material uncertainties which may raise substantial doubt about the Company's ability to continue as a going concern.

1.3 Basis for preparation of interim financial statements

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

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

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

The Company does not present consolidated financial statements since the consolidated financial statements of the Group are prepared by Asia Aviation Public Company Limited (the parent company) which is in accordance with Thai Financial Reporting Standard No.10 Consolidated Financial Statements.

1.4 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Company's financial statements.

1.5 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company's financial statements.

2. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, arose in the ordinary course of business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

	(Unit: Million Baht)	
	For the three-month periods ended 30 September	
	2023	2022
Transactions with related companies		
Revenues from freight and cargo	52	17
Aircraft repair and maintenance expenses	589	302
Commission expenses	288	140
Aircraft and aircraft engines rental expenses	207	327
Management expenses	116	26
Allocated staff cost and other service expenses	185	129

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month
periods ended 30 September

	2023	2022
Transactions with related companies		
Revenues from freight and cargo	134	59
Aircraft repair and maintenance expenses	1,400	718
Commission expenses	873	303
Aircraft and aircraft engines rental expenses	634	1,116
Management expenses	349	74
Allocated staff cost and other service expenses	291	328

As at 30 September 2023 and 31 December 2022, the outstanding balances between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	30 September 2023	31 December 2022
Amounts due from related parties		
Related companies (common shareholders and/or directors)	5,763,376	2,838,372
Less: Allowance for expected credit losses	(119,687)	(298,629)
Total amounts due from related parties - net	<u>5,643,689</u>	<u>2,539,743</u>
Other current financial assets		
<i>Deposits for lease of aircraft</i>		
Related company (common shareholders and directors)	50,224	80,661
Total	<u>50,224</u>	<u>80,661</u>
Other non-current financial assets		
<i>Deposits for lease of aircraft</i>		
Related company (common shareholders and directors)	135,084	114,774
<i>Deposits for fuel price swap agreements</i>		
Related company (common shareholders and directors)	18,197	17,196
<i>Other deposits</i>		
Related company (common directors)	20,000	20,000
Total	<u>173,281</u>	<u>151,970</u>
Aircraft maintenance reserves (Note 4)		
Related company (common shareholders and directors)	2,083,246	2,687,676
Total	<u>2,083,246</u>	<u>2,687,676</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2023	31 December 2022
Amounts due to related parties		
Parent company	67,380	46,823
Related companies (common shareholders and/or directors)	2,049,500	1,421,970
Total	2,116,880	1,468,793
Lease liabilities (Note 11)		
Related company (common shareholders and directors)	3,163,324	2,353,874
Total	3,163,324	2,353,874

Short-term borrowings from parent company

Short-term borrowings from parent company are unsecured loans with fixed interest rate at 0.25 percent per annum, and payable at call or when the borrower has sufficient cash flow, which full repayment in September 2023.

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2023 and 2022, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2023	2022	2023	2022
Short-term employee benefits	27,261	22,071	77,810	67,269
Post-employment benefits	1,660	957	4,981	2,871
Other long-term benefits	6	3	19	11
Total	28,927	23,031	82,810	70,151

(Unaudited but reviewed)

3. Trade and other receivables

(Unit: Thousand Baht)

	30 September 2023	31 December 2022
<u>Trade receivables</u>		
Aged on the basis of due dates		
Not yet due	296,997	211,526
Past due		
Up to 3 months	7,527	23,989
3 - 6 months	3,555	21,575
6 - 12 months	57,708	10,787
Over 12 months	61,142	45,946
Total	426,929	313,823
Less: Allowance for expected credit losses	(80,009)	(51,839)
Total trade receivables - net	346,920	261,984
<u>Other receivables</u>		
Aircraft maintenance claimable	616,728	415,374
Value added tax refundable	167,127	150,845
Others	77,099	64,917
Total	860,954	631,136
Less: Allowance for expected credit losses	(53,604)	(44,203)
Total other receivables - net	807,350	586,933
Total trade and other receivables - net	1,154,270	848,917

4. Aircraft maintenance reserves

Movements of the aircraft maintenance reserves account during the nine-month period ended 30 September 2023 are summarised below.

(Unit: Thousand Baht)

Net book value as at 1 January 2023	2,687,676
Payment for aircraft maintenance reserves	283,193
Amortisation for the period	(887,623)
Net book value as at 30 September 2023	2,083,246

5. Property, building, aircraft, leasehold improvements and equipment

Movements of the property, building, aircraft, leasehold improvements and equipment account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2023	4,185,034
Acquisitions - at cost	179,824
Disposals - net book value as at disposed date	(5,894)
Transfer to investment properties - net book value as at transfer date	(232)
Depreciation for the period	<u>(276,100)</u>
Net book value as at 30 September 2023	<u><u>4,082,632</u></u>

As at 30 September 2023, the Company has mortgaged its land and building constructed thereon, 3 aircraft and 2 engines with net book value amounting to Baht 3,440 million (31 December 2022: Land and buildings constructed thereon and 3 aircraft with net book value amounting to Baht 3,553 million) as collateral against credit facilities received from financial institutions as described in Note 9.

6. Right-of-use assets

Movement of right-of-use assets account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2023	25,025,902
Increase from new lease agreements during the period	9,757
Increase from lease remeasurement	934,987
Depreciation for the period	<u>(2,512,442)</u>
Net book value as at 30 September 2023	<u><u>23,458,204</u></u>

7. Investment properties

As at 30 September 2023, the Company has mortgaged its land and buildings constructed thereon with net book value amounting to Baht 506 million (31 December 2022: Baht 514 million) as collateral against credit facilities received from financial institutions as described in Note 9.

The Company as a lessor

The Company entered into a lease agreement for investment properties consisting of building's spaces with a term of 3 - 14 years.

(Unaudited but reviewed)

Future minimum lease payments required under non-cancellable lease agreements as at 30 September 2023 are as follows.

	(Unit: Thousand Baht)
In up to 1 year	16,883
In over 1 year and up to 5 years	63,068
In over 5 years	139,516
Total	<u>219,467</u>

8. Short-term borrowings from financial institutions

As at 30 September 2023, short-term borrowings from financial institutions were in the form of promissory notes and carried fixed interest at rates between 4.25 and 4.95 percent per annum, and float interest at MLR-0.50 percent per annum (31 December 2022: fixed interest at rates between 3.15 and 3.40 percent per annum).

9. Long-term borrowings from financial institutions

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
Current portion of long-term borrowings from financial institutions	934,047	828,106
Less: deferred front-end fee	(6,527)	(154)
Total current portion of long-term borrowings - net	<u>927,520</u>	<u>827,952</u>
Long-term borrowings from financial institutions - net of current portion	2,366,935	2,561,095
Less: deferred front-end fee	(10,166)	(756)
Total non-current portion of long-term borrowings - net	<u>2,356,769</u>	<u>2,560,339</u>
Total long-term borrowings from financial institutions	<u>3,284,289</u>	<u>3,388,291</u>

As at 30 September 2023, the long-term borrowings are secured by the mortgages of the Company's land and buildings constructed thereon, and pledges of the Company's aircraft and engines (31 December 2022: Land and buildings constructed thereon and aircraft) as described in Note 5 and Note 7.

Movements of long-term borrowings from financial institutions account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2023	3,388,291
Borrowing during the period	562,500
Payment for front-end fee	(17,500)
Amortisation of front-end fee	1,717
Repayment of borrowings	<u>(650,719)</u>
Balance as at 30 September 2023	<u>3,284,289</u>

On 26 June 2023, the Company entered into a long-term loan agreement with a financial institution to obtain a loan facility of Baht 1,000 million at a floating interest rate. As at 30 September 2023, a portion of long-term loan amounting to Baht 437 million has yet to be drawn down.

The loan agreement contains covenants which, among other things, require the Company to comply with certain financial obligations prescribed in the agreement. Banks consider a Debt-Service Coverage Ratio (DSCR) and a Net Interest-Bearing Debt-to-Equity Ratio, based on the interim financial information for the six-month periods ended and the annual financial statements.

10. Long-term debentures

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
Current portion of long-term debentures	1,431,500	1,000,000
Less: deferred front-end fee	(6,863)	(243)
Total current portion of long-term debentures - net	1,424,637	999,757
Long-term debentures - net of current portion	2,700,000	1,431,500
Less: deferred front-end fee	(30,478)	(13,702)
Total non-current portion of long-term debentures - net	2,669,522	1,417,798
Total long-term debentures	4,094,159	2,417,555

Long-term debentures are unsubordinated and secured by parent company in Baht currency with fixed interest rates. Their fair value as at 30 September 2023 amounted to Baht 4,133 million (31 December 2022: Baht 2,399 million).

Movements of long-term debentures account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2023	2,417,555
Issuance during the period	2,700,000
Repayment during the period	(1,000,000)
Payment for front-end fee	(34,503)
Amortisation of front-end fee	11,107
Balance as at 30 September 2023	4,094,159

During the year 2023, the Company issued long-term debentures are summarised below.

No.	Issue date	Maturity date	No. of units	Par value	Interest rate	Term of	Book value
						interest payment	
			(Million units)	(Baht)	(% p.a.)		(Thousand Baht)
1/2023	27 April 2023	27 April 2025	1.5	1,000	7.00	Quarter	1,500,000
2/2023	28 September 2023	28 March 2026	1.2	1,000	6.90	Quarter	1,200,000
Total							<u>2,700,000</u>

11. Liabilities under lease agreements

	(Unit: Thousand Baht)	
	30 September 2023	31 December 2022
Liabilities under lease agreements	44,814,740	45,599,890
Less: deferred interest expenses	(8,542,391)	(9,143,432)
Total	<u>36,272,349</u>	<u>36,456,458</u>
Less: portion due within one year	(5,815,410)	(6,331,068)
Liabilities under lease agreements - net of current portion	<u>30,456,939</u>	<u>30,125,390</u>

Movements of liabilities under lease agreements account during the nine-month period ended 30 September 2023 are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2023	36,456,458
Increase from new lease agreements during the period	9,506
Increase from lease remeasurements	908,761
Repayments for liabilities under lease agreements during the period	(4,427,485)
Accretion of interest	1,303,333
Impact of exchange rate difference	<u>2,021,776</u>
Balance as at 30 September 2023	<u>36,272,349</u>

12. Share capital

On 30 August 2023, the Extraordinary Shareholder's Meeting of the Company No. 1/2023 passed a resolution to increase its registered share capital from Baht 946.18 million to Baht 967.97 million through the issuance of 2.18 million ordinary shares of Baht 10 per share with par value of Baht 10 each, total amounting to Baht 21.79 million. The Company was registered increase of its share capital with the Ministry of Commerce on 5 September 2023.

13. Other expenses

	(Unit: Thousand Baht)			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2023	2022	2023	2022
Loss on exchange	813,466	2,885,057	1,641,504	5,073,913
Loss (reversal) on expected credit losses	79,095	(13,015)	396,012	32,704
Loss on disposals and write-off of aircraft leasehold improvements and equipment	-	-	-	39,063
Loss on derivatives	-	-	-	17,454
Total	892,561	2,872,042	2,037,516	5,163,134

14. Income tax

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

Income tax revenue for the three-month and nine-month periods ended 30 September 2023 and 2022 are made up as follows.

	(Unit: Thousand Baht)			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2023	2022	2023	2022
Current income tax:				
Interim corporate income tax charge	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	428,930	1,578,082	577,888	3,141,489
Income tax revenue reported in profit or loss	428,930	1,578,082	577,888	3,141,489
Income tax expense included in other comprehensive income	-	-	-	(4,445)

15. Loss per share

Basic loss per share is calculated by dividing loss for the periods (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the periods.

16. Segment information

The Company is organised into business units. During the current period, the Company has not changed the organisation of the reportable segments.

Revenues and loss information regarding the Company's operating segments for the three-month and nine-month periods ended 30 September 2023 and 2022 are as follows.

(Unit: Thousand Baht)

	Scheduled flight operations	Charter flight operations	Total segments
For the three-month period ended 30 September 2023			
Revenues			
Revenues from sales and services	9,660,929	1,242	9,662,171
Total revenues	9,660,929	1,242	9,662,171
Operating result			
Segment profit (loss)	(882,370)	4,179	(878,191)
Other income			236,547
Other expenses			(892,561)
Finance income			7,283
Finance costs			(596,390)
Loss before income tax			(2,123,312)
Income tax revenue			428,930
Loss for the period			(1,694,382)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Scheduled flight operations	Charter flight operations	Total segments
For the three-month period ended 30 September 2022			
Revenues			
Revenues from sales and services	4,778,230	32,959	4,811,189
Total revenues	4,778,230	32,959	4,811,189
Operating result			
Segment profit (loss)	(2,233,779)	12,672	(2,221,107)
Other income			81,122
Other expenses			(2,872,042)
Finance income			7,451
Finance costs			(625,145)
Loss before income tax			(5,629,721)
Income tax revenue			1,578,082
Loss for the period			(4,051,639)

(Unit: Thousand Baht)

	Scheduled flight operations	Charter flight operations	Total segments
For the nine-month period ended 30 September 2023			
Revenues			
Revenues from sales and services	28,608,478	175,780	28,784,258
Total revenues	28,608,478	175,780	28,784,258
Operating result			
Segment profit (loss)	(98,736)	69,151	(29,585)
Other income			755,947
Other expenses			(2,037,516)
Finance income			23,401
Finance costs			(1,639,240)
Loss before income tax			(2,926,993)
Income tax revenue			577,888
Loss for the period			(2,349,105)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Scheduled flight operations	Charter flight operations	Total segments
For the nine-month period ended 30 September 2022			
Revenues			
Revenues from sales and services	9,249,230	40,204	9,289,434
Total revenues	9,249,230	40,204	9,289,434
Operating result			
Segment profit (loss)	(7,779,871)	6,364	(7,773,507)
Other income			213,745
Other expenses			(5,163,134)
Finance income			20,782
Finance costs			(1,736,683)
Loss before income tax			(14,438,797)
Income tax revenue			3,141,489
Loss for the period			(11,297,308)

17. Commitments and contingent liabilities

17.1 Building construction commitments

As at 30 September 2023, the Company had capital commitments of Baht 16 million (31 December 2022: Baht 15 million), relating to the decoration of a project's buildings.

17.2 Aircraft maintenance service commitments

As at 30 September 2023 and 31 December 2022, the Company had commitments under aircraft maintenance service agreements with related companies, and other aircraft lessors. The Company agrees to pay aircraft maintenance service fees at the rates in USD currency stipulated in the agreements, which vary for each aircraft depending on flight hours and the age of the aircraft.

17.3 Service commitments

As at 30 September 2023, the Company had significant service commitments as follows.

- 1) The Company had commitments from using human resource, legal and other services rendered with related company. The Company was to pay the fees at the agreed rates. During the nine-month period ended 30 September 2023, the fees under this agreement amounted to Baht 211 million (30 September 2022: Baht 326 million).
- 2) The Company had a commitment from using marketing, booking system and other services rendered with related company. The Company was to pay the fees depending on the rates stipulated in the agreements. During the nine-month period ended 30 September 2023, the fees under this agreement amounted to Baht 873 million (30 September 2022: Baht 303 million).
- 3) The Company had a commitment from using data consultancy and management services rendered with related companies. The Company was to pay the fees at the agreed rates.

17.4 Other commitments

The Company had the future minimum lease payments in respect of short-term leases, insurance agreements and other service agreements as follows.

	(Unit: Thousand Baht)
	<u>30 September 2023</u>
Payable:	
In up to 1 year	220,643
In over 1 year and up to 5 years	<u>3,147</u>
Total	<u><u>223,790</u></u>

17.5 Guarantees

The Company had commitments from letters of guarantee in respect of ground handling, technical support and other flight operating activities including maintenance reserve fund in the ordinary course of business as follows.

	(Unit: Million)							
	<u>30 September 2023</u>				<u>31 December 2022</u>			
	<u>USD</u>	<u>SGD</u>	<u>INR</u>	<u>Baht</u>	<u>USD</u>	<u>SGD</u>	<u>INR</u>	<u>Baht</u>
Guarantees relating to								
flight operating activities	0.16	2.20	87.39	14.77	0.16	2.20	73.43	15.92
Guarantees relating to								
maintenance reserve fund	<u>1.28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.28</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>1.44</u>	<u>2.20</u>	<u>87.39</u>	<u>14.77</u>	<u>1.44</u>	<u>2.20</u>	<u>73.43</u>	<u>15.92</u>
Total equivalent to Thai Baht	<u>52.71</u>	<u>59.64</u>	<u>41.17</u>	<u>14.77</u>	<u>49.86</u>	<u>57.24</u>	<u>32.80</u>	<u>15.92</u>

17.6 Litigations

During the current period, there have been no additional significant litigations as disclosed in the financial statements for the year ended 31 December 2022.

18. Fair value hierarchy

As at 30 September 2023 and 31 December 2022, the Company had financial assets and financial liabilities in USD and Baht currencies that were measured or disclosed at fair value using level 2 of input hierarchy as follows.

	(Unit: Thousand Baht)			
	<u>30 September 2023</u>		<u>31 December 2022</u>	
	<u>Contract currency</u>		<u>Contract currency</u>	
	<u>USD</u>	<u>Baht</u>	<u>USD</u>	<u>Baht</u>
Financial assets measured at fair value				
Derivatives				
Interest rate swap agreements	-	-	-	1,457
Foreign exchange forward contracts	270	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	30 September 2023		31 December 2022	
	Contract currency		Contract currency	
	USD	Baht	USD	Baht
Financial liabilities measured or disclosed at fair value				
Derivatives				
Interest rate swap agreements	-	944	-	3,299
Foreign exchange forward contracts	4,251	-	72,505	-
Long-term borrowings from financial				
institutions	-	3,284,289	-	3,388,291
Long-term debentures	-	4,132,764	-	2,398,552

During the current period, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers within the fair value hierarchy.

19. Reclassifications

The Company reclassified certain amounts in the Statement of financial position for the year ended 31 December 2022 to conform to the current year's classification, as follows.

(Unit: Thousand Baht)

	As reclassified	As previously reported
Other non-current financial assets	1,265,347	897,255
Aircraft maintenance reserves	2,687,676	3,055,768

The reclassification had no effect to previously reported shareholders' equity.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2023.