

Thai AirAsia Company Limited  
Review report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 2018

## **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 2018, and the related statements of comprehensive income for the three-month and nine-month periods then ended, and the statements of changes in shareholders' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the financial statements. 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.

### **Other matter**

The statement of financial position of Thai AirAsia Company Limited as at 31 December 2017 was audited by another auditor who expressed an unqualified opinion on that statement under his report dated 22 February 2018. The statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, and the statements of changes in shareholders' equity and cash flows for the nine-month period then ended of Thai AirAsia Company Limited, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 9 November 2017, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 9 November 2018

**Thai AirAsia Company Limited**  
**Statement of financial position**  
**As at 30 September 2018**

(Unit: Baht)

|   | Note | 30 September 2018<br>(Unaudited but<br>reviewed) | 31 December 2017<br>(Audited) |
|---|------|--|-------------------------------|
| <b>Assets</b>                                 |      |  |                               |
| <b>Current assets</b>                         |      |  |                               |
| Cash and cash equivalents                     | 3    | 3,486,173,546                                    | 5,210,622,777                 |
| Current investments                           |      | 500,000,000                                      | 1,489,009,499                 |
| Trade and other receivables                   | 4    | 530,611,843                                      | 454,416,761                   |
| Amounts due from related parties              | 2    | 785,180,862                                      | 944,812,563                   |
| Inventories                                   |      | 142,452,921                                      | 148,800,537                   |
| Prepaid expenses                              |      | 362,146,454                                      | 369,479,072                   |
| Other current assets                          |      | 312,976,032                                      | 299,052,917                   |
| <b>Total current assets</b>                   |      | <b>6,119,541,658</b>                             | <b>8,916,194,126</b>          |
| <b>Non-current assets</b>                     |      |  |                               |
| Long-term investment                          |      | 11,134,900                                       | 10,424,900                    |
| Aircraft maintenance reserves                 | 2, 5 | 4,320,751,206                                    | 3,652,264,201                 |
| Aircraft, leasehold improvement and equipment | 6    | 26,489,007,363                                   | 25,416,573,011                |
| Intangible assets                             | 7    | 30,311,210                                       | 33,078,364                    |
| Other non-current assets                      | 2    | 930,441,987                                      | 873,796,859                   |
| <b>Total non-current assets</b>               |      | <b>31,781,646,666</b>                            | <b>29,986,137,335</b>         |
| <b>Total assets</b>                           |      | <b>37,901,188,324</b>                            | <b>38,902,331,461</b>         |

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

**Thai AirAsia Company Limited**

**Statement of financial position (continued)**

**As at 30 September 2018**

(Unit: Baht)

|  | Note | 30 September 2018<br>(Unaudited but<br>reviewed) | 31 December 2017<br>(Audited) |
|--|------|--|-------------------------------|
| <b>Liabilities and shareholders' equity</b>                                  |      |  |                               |
| <b>Current liabilities</b>   |      |  |                               |
| Trade payables   |      | 308,803,305                                      | 310,666,172                   |
| Other payables   |      | 323,669,431                                      | 477,741,231                   |
| Amounts due to related parties   | 2    | 598,587,952                                      | 170,092,214                   |
| Current portion of long-term borrowings from<br>financial institutions       | 8    | 863,572,250                                      | 1,348,080,475                 |
| Current portion of liabilities under finance lease agreements                | 10   | 1,308,420,800                                    | 1,299,335,216                 |
| Unearned income  |      | 4,416,471,633                                    | 4,820,988,435                 |
| Accrued expenses   |      | 2,217,574,511                                    | 2,373,009,919                 |
| Other current liabilities  |      | 63,837,401                                       | 52,307,213                    |
| <b>Total current liabilities</b>   |      | <b>10,100,937,283</b>                            | <b>10,852,220,875</b>         |
| <b>Non-current liabilities</b>   |      |  |                               |
| Long-term borrowings from financial institutions<br>- net of current portion | 8    | 2,677,744,172                                    | 1,984,335,988                 |
| Debentures   | 9    | 4,094,724,304                                    | 1,598,005,612                 |
| Liabilities under finance lease agreements<br>- net of current portion       | 10   | 12,213,427,956                                   | 13,231,620,700                |
| Provision for long-term employee benefits                                    |      | 410,788,332                                      | 346,675,403                   |
| Deferred tax liabilities   |      | 149,353,382                                      | 267,434,714                   |
| <b>Total non-current liabilities</b>   |      | <b>19,546,038,146</b>                            | <b>17,428,072,417</b>         |
| <b>Total liabilities</b>   |      | <b>29,646,975,429</b>                            | <b>28,280,293,292</b>         |

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

**Thai AirAsia Company Limited**

**Statement of financial position (continued)**

**As at 30 September 2018**

(Unit: Baht)

|   | 30 September 2018           | 31 December 2017      |
|---|-----------------------------|-----------------------|
|   | (Unaudited but<br>reviewed) | (Audited)             |
| <b>Shareholders' equity</b>                       |                             |                       |
| Share capital                                     |                             |                       |
| Registered  |                             |                       |
| 43,555,560 ordinary shares of Baht 10 each        | 435,555,600                 | 435,555,600           |
| Issued and fully paid up                          |                             |                       |
| 43,555,560 ordinary shares of Baht 10 each        | 435,555,600                 | 435,555,600           |
| Premium on ordinary shares                        | 2,628,786,469               | 2,628,786,469         |
| Retained earnings                                 |                             |                       |
| Appropriated - statutory reserve                  | 43,555,560                  | 43,555,560            |
| Unappropriated                                    | 5,146,315,266               | 7,514,140,540         |
| <b>Total shareholders' equity</b>                 | <b>8,254,212,895</b>        | <b>10,622,038,169</b> |
| <b>Total liabilities and shareholders' equity</b> | <b>37,901,188,324</b>       | <b>38,902,331,461</b> |
|   | -                           | -                     |

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 2018**

(Unit: Baht)

|   | Note | 2018                 | 2017                 |
|---|------|----------------------|----------------------|
| <b>Profit or loss:</b>                                  |      |                      |                      |
| <b>Revenues</b>   |      |                      |                      |
| Revenues from sales and services                        |      | 8,944,848,783        | 8,754,547,441        |
| Gain on exchange rate                                   |      | 104,297,207          | 72,338,406           |
| Other income  |      | 257,837,997          | 238,549,021          |
| <b>Total revenues</b>                                   |      | <u>9,306,983,987</u> | <u>9,065,434,868</u> |
| <b>Expenses</b>   |      |                      |                      |
| Cost of sales and services                              |      | 9,137,768,170        | 7,750,910,011        |
| Selling expenses  |      | 338,158,605          | 362,758,398          |
| Administrative expenses                                 |      | 365,606,981          | 339,259,944          |
| <b>Total expenses</b>                                   |      | <u>9,841,533,756</u> | <u>8,452,928,353</u> |
| <b>Profit (loss) before finance cost and income tax</b> |      | (534,549,769)        | 612,506,515          |
| Finance cost  |      | (187,895,167)        | (148,711,827)        |
| <b>Profit (loss) before income tax</b>                  |      | <u>(722,444,936)</u> | <u>463,794,688</u>   |
| Income tax revenue                                      | 11   | 66,730,731           | 8,309,412            |
| <b>Profit (loss) for the period</b>                     |      | <u>(655,714,205)</u> | <u>472,104,100</u>   |
| <b>Other comprehensive income:</b>                      |      |                      |                      |
| <b>Other comprehensive income for the period</b>        |      | <u>-</u>             | <u>-</u>             |
| <b>Total comprehensive income for the period</b>        |      | <u>(655,714,205)</u> | <u>472,104,100</u>   |
| <b>Earnings (loss) per share</b>                        | 13   |                      |                      |
| Basic earnings (loss) per share                         |      | <u>(15.05)</u>       | <u>10.84</u>         |
| Number of ordinary shares (share)                       |      | <u>43,555,560</u>    | <u>43,555,560</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 2018**

(Unit: Baht)

|  | Note | 2018                  | 2017                  |
|--|------|-----------------------|-----------------------|
| <b>Profit or loss:</b>                           |      |                       |                       |
| <b>Revenues</b>                                  |      |                       |                       |
| Revenues from sales and services                 |      | 29,249,750,179        | 26,266,485,934        |
| Gain on exchange rate                            |      | 132,635,467           | 246,066,557           |
| Other income                                     |      | 820,786,691           | 686,881,774           |
| <b>Total revenues</b>                            |      | <b>30,203,172,337</b> | <b>27,199,434,265</b> |
| <b>Expenses</b>                                  |      |                       |                       |
| Cost of sales and services                       |      | 26,896,865,558        | 22,807,456,561        |
| Selling expenses                                 |      | 1,170,098,092         | 1,119,272,181         |
| Administrative expenses                          |      | 1,106,872,062         | 1,002,961,911         |
| <b>Total expenses</b>                            |      | <b>29,173,835,712</b> | <b>24,929,690,653</b> |
| <b>Profit before finance cost and income tax</b> |      | <b>1,029,336,625</b>  | <b>2,269,743,612</b>  |
| Finance cost                                     |      | (536,042,927)         | (478,954,232)         |
| <b>Profit before income tax</b>                  |      | <b>493,293,698</b>    | <b>1,790,789,380</b>  |
| Income tax revenue                               | 11   | 118,081,332           | 27,224,133            |
| <b>Profit for the period</b>                     |      | <b>611,375,030</b>    | <b>1,818,013,513</b>  |
| <b>Other comprehensive income:</b>               |      |                       |                       |
| <b>Other comprehensive income for the period</b> |      | -                     | -                     |
| <b>Total comprehensive income for the period</b> |      | <b>611,375,030</b>    | <b>1,818,013,513</b>  |
| <b>Earnings per share</b>                        | 13   |                       |                       |
| Basic earnings per share                         |      | 14.04                 | 41.74                 |
| Number of ordinary shares (share)                |      | 43,555,560            | 43,555,560            |

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 2018**

(Unit: Baht)

|   | Issued and paid-up<br>share capital | Premium on<br>ordinary shares | Retained earnings |                      | Total<br>shareholders' equity |
|---|-------------------------------------|-------------------------------|-------------------|----------------------|-------------------------------|
|   |                                     |                               | Appropriated      | Unappropriated       |                               |
| <b>Balance as at 1 January 2017</b>       | 435,555,600                         | 2,628,786,469                 | 43,555,560        | 6,181,462,952        | 9,289,360,581                 |
| Profit for the period                     | -                                   | -                             | -                 | 1,818,013,513        | 1,818,013,513                 |
| Other comprehensive income for the period | -                                   | -                             | -                 | -                    | -                             |
| Total comprehensive income for the period | -                                   | -                             | -                 | 1,818,013,513        | 1,818,013,513                 |
| <b>Balance as at 30 September 2017</b>    | <u>435,555,600</u>                  | <u>2,628,786,469</u>          | <u>43,555,560</u> | <u>7,999,476,465</u> | <u>11,107,374,094</u>         |
| <b>Balance as at 1 January 2018</b>       | 435,555,600                         | 2,628,786,469                 | 43,555,560        | 7,514,140,540        | 10,622,038,169                |
| Profit for the period                     | -                                   | -                             | -                 | 611,375,030          | 611,375,030                   |
| Other comprehensive income for the period | -                                   | -                             | -                 | -                    | -                             |
| Total comprehensive income for the period | -                                   | -                             | -                 | 611,375,030          | 611,375,030                   |
| Dividend paid (Note 15)                   | -                                   | -                             | -                 | (2,979,200,304)      | (2,979,200,304)               |
| <b>Balance as at 30 September 2018</b>    | <u>435,555,600</u>                  | <u>2,628,786,469</u>          | <u>43,555,560</u> | <u>5,146,315,266</u> | <u>8,254,212,895</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 2018**

(Unit: Baht)

|   | 2018                 | 2017                 |
|---|----------------------|----------------------|
| <b>Cash flows from operating activities</b>   |                      |                      |
| Profit before tax   | 493,293,698          | 1,790,789,380        |
| Adjustments to reconcile profit before tax to<br>net cash provided by (paid from) operating activities: |                      |                      |
| Write-off of bad debts  | -                    | 346,144              |
| Depreciation and amortisation   | 1,233,943,393        | 1,060,845,911        |
| Gain on sales of leasehold improvements and equipment   | (399,599)            | (179,838)            |
| Provision for long-term employee benefits   | 64,112,929           | 48,648,191           |
| Unrealised (gain) loss on exchange  | 11,772,153           | (321,152,917)        |
| Interest income   | (43,435,219)         | (38,760,530)         |
| Finance cost  | 536,042,927          | 478,954,232          |
| Profit from operating activities before changes in operating assets and liabilities                     | 2,295,330,282        | 3,019,490,573        |
| Operating assets (increase) decrease  |                      |                      |
| Trade and other receivables   | (76,819,385)         | (82,511,740)         |
| Amounts due from related parties  | 160,542,499          | (85,217,206)         |
| Inventories   | 6,347,616            | (2,025,919)          |
| Prepaid expenses  | 7,332,618            | 12,854,531           |
| Other current assets  | (8,041,515)          | 115,556,228          |
| Other non-current assets  | (56,645,128)         | 60,300,373           |
| Operating liabilities increase (decrease)   |                      |                      |
| Trade payables  | (1,862,867)          | (236,791,020)        |
| Other payables  | (154,071,800)        | 60,609,127           |
| Amounts due to related parties  | 428,495,738          | (53,314,223)         |
| Unearned income   | (404,516,802)        | 466,748,343          |
| Accrued expenses  | (195,482,896)        | (46,422,920)         |
| Other current liabilities   | 11,530,188           | 11,271,592           |
| Payment of provision for long-term employee benefits  | -                    | (6,425,000)          |
| Cash flows from operating activities  | 2,012,138,548        | 3,234,122,739        |
| Cash paid for income tax  | (5,881,600)          | (6,226,047)          |
| <b>Net cash flows from operating activities</b>   | <b>2,006,256,948</b> | <b>3,227,896,692</b> |

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 2018**

|  | (Unit: Baht)           |                        |
|--|------------------------|------------------------|
|  | 2018                   | 2017                   |
| <b>Cash flows from investing activities</b>                    |                        |                        |
| Decrease in restricted deposits at financial institutions      | -                      | 1,636,140              |
| Decrease in current investments                                | 997,287,762            | 486,342,968            |
| Increase in long-term investment                               | (710,000)              | (35,400)               |
| Payment for aircraft maintenance reserves                      | (668,487,005)          | (752,923,538)          |
| Acquisitions of aircraft, leasehold improvements and equipment | (2,290,969,695)        | (747,633,367)          |
| Acquisitions of intangible assets                              | (4,834,243)            | (25,230,194)           |
| Interest income  | 42,777,107             | 36,849,051             |
| Proceeds from sales of equipment                               | 666,153                | 96,605,196             |
| <b>Net cash flows used in investing activities</b>             | <b>(1,924,269,921)</b> | <b>(904,389,144)</b>   |
| <b>Cash flows from financing activities</b>                    |                        |                        |
| Proceeds from long-term borrowings from financial institutions | 1,876,187,000          | 360,000,000            |
| Repayment of long-term borrowings                              | (1,668,134,541)        | (1,294,482,466)        |
| Proceed from issuance of debentures                            | 2,500,000,000          | 1,600,000,000          |
| Payment for front end fee of debentures                        | (4,000,717)            | (2,369,874)            |
| Payments for early termination of finance lease agreements     | -                      | (724,306,457)          |
| Cash paid for liabilities under finance lease agreements       | (962,606,532)          | (851,080,747)          |
| Interest paid  | (482,871,373)          | (443,188,173)          |
| Dividend paid  | (2,979,200,304)        | -                      |
| <b>Net cash flows used in financing activities</b>             | <b>(1,720,626,467)</b> | <b>(1,355,427,717)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>    | <b>(1,638,639,440)</b> | <b>968,079,831</b>     |
| Cash and cash equivalents at beginning of the period           | 5,210,622,777          | 4,549,226,048          |
| Unrealised exchange loss on cash and cash equivalents          | (85,809,791)           | (43,200,874)           |
| <b>Cash and cash equivalents at end of the period (Note 3)</b> | <b>3,486,173,546</b>   | <b>5,474,105,005</b>   |
|  | -                      | -                      |
| Non-cash items:  |                        |                        |
| Increase in other payables from acquisitions of equipment      | 8,073,207              | 31,062,325             |
| Acquisitions of aircraft under finance lease agreements        | -                      | 2,745,319,305          |

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 2018**

**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 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.

**1.3 New financial reporting standards**

**a. Financial reporting standards that became effective in the current year**

During the periods, the Company has adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

**b. Financial reporting standards that will become effective in the future**

During the periods, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

**TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

**Thai Financial Reporting Standards related to financial instruments**

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

|        |                                    |
|--------|------------------------------------|
| TFRS 9 | Financial Instruments              |
| TFRS 7 | Financial Instruments: Disclosures |

Accounting standard:

|        |                                     |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

|          |   |
|----------|---|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation           |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### 1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

#### 2. Related party transactions

During the periods, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

|  | (Unit: Million Baht)                              |       |
|--|---|-------|
|  | For the three-month<br>periods ended 30 September |       |
|  | 2018  | 2017  |
| <b>Transactions with the parent company</b>                    |   |       |
| Management expenses  | 6   | 6     |
| Dividend paid  | 656   | -     |
| <b>Transactions with related companies</b>                     |   |       |
| Passenger income   | -   | 2     |
| Advertising income   | -   | 13    |
| Interest income  | -   | 2     |
| Other administrative income                                    | 14  | 8     |
| Commission from sales of duty free goods                       | -   | 4     |
| Share of gain from fuel price swap agreements                  | 35  | 88    |
| Allocated staff cost for accounting and other service expenses | 17  | 17    |
| Aircraft and aircraft engines rental                           | 771   | 1,074 |
| Aircraft repair and maintenance                                | 541   | 526   |
| Purchases of merchandises and equipment                        | 14  | 9     |
| Management expenses  | 4   | 4     |
| Booking fee expenses   | 27  | 43    |
| Pilot training expenses  | -   | 57    |
| Brand license fee expenses                                     | 133   | 135   |
| Sponsorship fee paid to Thailand Polo Association              | -   | 1     |
| Ground handling service expenses                               | -   | 9     |
| Security expenses  | 4   | 2     |
| Dividend paid  | 537   | -     |

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month

periods ended 30 September

|  | 2018  | 2017  |
|--|-------|-------|
| <b>Transactions with the parent company</b>                    |       |       |
| Management expenses  | 25    | 19    |
| Dividend paid  | 1,639 | -     |
| <b>Transactions with related companies</b>                     |       |       |
| Passenger income   | -     | 12    |
| Advertising income   | -     | 37    |
| Interest income  | 1     | 5     |
| Other administrative income                                    | 33    | 21    |
| Commission from sales of duty free goods                       | -     | 12    |
| Share of gain from fuel price swap agreements                  | 247   | 300   |
| Allocated staff cost for accounting and other service expenses | 53    | 55    |
| Aircraft and aircraft engines rental                           | 2,747 | 3,299 |
| Aircraft repair and maintenance                                | 1,609 | 1,581 |
| Purchases of merchandises and equipment                        | 38    | 18    |
| Management expenses  | 12    | 12    |
| Booking fee expenses   | 120   | 132   |
| Pilot training expenses  | -     | 106   |
| Brand license fee expenses                                     | 448   | 399   |
| Sponsorship fee paid to Leicester City Football Club           | -     | 50    |
| Donation paid to King Power Foundation                         | -     | 5     |
| Sponsorship fee paid to Thailand Polo Association              | -     | 2     |
| Ground handling service expenses                               | -     | 16    |
| Security expenses  | 9     | 10    |
| Conference room and other service expenses                     | 1     | -     |
| Dividend paid  | 1,341 | -     |

As at 30 September 2018 and 31 December 2017, the outstanding balances between the Company and those related parties are as follows.

|   | (Unit: Baht)      |                  |
|---|-------------------|------------------|
|   | 30 September 2018 | 31 December 2017 |
| <b>Receivables - related parties</b>                          |                   |                  |
| Related companies (common shareholders and/or directors)      | 785,180,862       | 944,812,563      |
| Total   | 785,180,862       | 944,812,563      |
| <b>Aircraft maintenance reserves - related party (Note 5)</b> |                   |                  |
| Related company (common shareholders and directors)           | 4,320,751,206     | 3,652,264,201    |
| Total   | 4,320,751,206     | 3,652,264,201    |

(Unaudited but reviewed)

(Unit: Baht)

|  | <u>30 September 2018</u> | <u>31 December 2017</u> |
|--|--------------------------|-------------------------|
| <b>Other non-current assets - related parties</b>          |                          |                         |
| <i>Deposits for lease of aircraft and aircraft engines</i> |                          |                         |
| Related company (common shareholders and directors)        | 405,856,276              | 657,120,066             |
| <i>Deposits for fuel price swap agreements</i>             |                          |                         |
| Related company (common shareholders and directors)        | 16,118,200               | 16,257,300              |
| <i>Other deposits</i>                                      |                          |                         |
| Related company (common directors)                         | 20,000,000               | -                       |
| Total  | <u>441,974,476</u>       | <u>673,377,366</u>      |
| <b>Payables- related parties</b>                           |                          |                         |
| Parent company   | 13,375,000               | -                       |
| Related companies (common shareholders and/or directors)   | 585,212,952              | 170,092,214             |
| Total  | <u>598,587,952</u>       | <u>170,092,214</u>      |

#### Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Baht)

|                              | For the three-month<br>periods ended 30 September |                   |
|------------------------------|---|-------------------|
|                              | <u>2018</u>                                       | <u>2017</u>       |
| Short-term employee benefits | 33,236,296  | 26,490,378        |
| Post-employment benefits     | 1,797,536   | 1,405,711         |
| Total                        | <u>35,033,832</u>                                 | <u>27,896,089</u> |

(Unit: Baht)

|                              | For the nine-month<br>periods ended 30 September |                    |
|------------------------------|--|--------------------|
|                              | <u>2018</u>                                      | <u>2017</u>        |
| Short-term employee benefits | 115,217,387                                      | 104,411,019        |
| Post-employment benefits     | 5,392,609  | 4,217,137          |
| Total                        | <u>120,609,996</u>                               | <u>108,628,156</u> |



**3. Cash and cash equivalents**

|               | (Unit: Baht)         |                      |
|---------------|----------------------|----------------------|
|               | 30 September 2018    | 31 December 2017     |
| Cash          | 12,097,976           | 8,567,450            |
| Bank deposits | 3,474,075,570        | 5,202,055,327        |
| <b>Total</b>  | <b>3,486,173,546</b> | <b>5,210,622,777</b> |

**4. Trade and other receivables**

|  | (Unit: Baht)       |                    |
|--|--------------------|--------------------|
|  | 30 September 2018  | 31 December 2017   |
| <u>Trade receivables</u>                 |                    |                    |
| Aged on the basis of due dates           |                    |                    |
| Not yet due                              | 433,800,441        | 333,443,037        |
| Past due                                 |                    |                    |
| Up to 3 months                           | 28,144,798         | 42,465,551         |
| 3 - 6 months                             | 106,147            | 3,936,934          |
| 6 - 12 months                            | 132,249            | 108,784            |
| Over 12 months                           | 1,836,869          | 1,786,035          |
| <b>Total trade receivables</b>           | <b>464,020,504</b> | <b>381,740,341</b> |
| <u>Other receivables</u>                 |                    |                    |
| Accrued airport fee and incentive income | 13,684,048         | 16,886,607         |
| Accrued income                           | 11,294,947         | 13,228,906         |
| Others                                   | 41,612,344         | 42,560,907         |
| <b>Total other receivables</b>           | <b>66,591,339</b>  | <b>72,676,420</b>  |
| <b>Total trade and other receivables</b> | <b>530,611,843</b> | <b>454,416,761</b> |

**5. Aircraft maintenance reserves**

Movements of the aircraft maintenance reserves account during the nine-month period ended 30 September 2018 are summarised below.

|   | (Unit: Baht)         |
|---|----------------------|
| Net book value as at 1 January 2018           | 3,652,264,201        |
| Additions                                     | 668,487,005          |
| <b>Net book value as at 30 September 2018</b> | <b>4,320,751,206</b> |

**6. Aircraft, leasehold improvement and equipment**

Movements of the aircraft, leasehold improvement and equipment account during the nine-month period ended 30 September 2018 are summarised below.

|   | (Unit: Baht)                 |
|---|------------------------------|
| Net book value as at 1 January 2018         | 25,416,573,011               |
| Acquisitions - at cost                      | 2,299,042,902                |
| Disposals - net book value at disposed date | (266,554)                    |
| Depreciation                                | <u>(1,226,341,996)</u>       |
| Net book value as at 30 September 2018      | <u><u>26,489,007,363</u></u> |

As at 30 September 2018, the Company had aircraft with net book value of Baht 17,730 million (31 December 2017: Baht 18,515 million) which were acquired under finance lease agreements.

The Company has pledged its aircraft amounting to approximately Baht 2,844 million (31 December 2017: Baht 2,476 million) as collateral against credit facilities received from financial institutions.

**7. Intangible assets**

Movements of intangible assets during the nine-month period ended 30 September 2018 are summarised below.

|  | (Unit: Baht)             |
|--|--------------------------|
| Net book value as at 1 January 2018    | 33,078,364               |
| Acquisitions - at cost                 | 4,834,243                |
| Amortisation                           | <u>(7,601,397)</u>       |
| Net book value as at 30 September 2018 | <u><u>30,311,210</u></u> |

**8. Long-term borrowings from financial institutions**

|   | (Unit: Baht)                |                             |
|---|-----------------------------|-----------------------------|
|   | <u>30 September 2018</u>    | <u>31 December 2017</u>     |
| Current portion of long-term borrowings from financial institutions       | 864,682,250                 | 1,349,210,475               |
| Less: Front end fee   | <u>(1,110,000)</u>          | <u>(1,130,000)</u>          |
| Total current borrowings  | <u>863,572,250</u>          | <u>1,348,080,475</u>        |
| Long-term borrowings from financial institutions - net of current portion | 2,678,951,591               | 1,986,370,907               |
| Less: Front end fee   | <u>(1,207,419)</u>          | <u>(2,034,919)</u>          |
| Total non-current borrowings  | <u>2,677,744,172</u>        | <u>1,984,335,988</u>        |
| Total long-term borrowings from financial institutions                    | <u><u>3,541,316,422</u></u> | <u><u>3,332,416,463</u></u> |

(Unaudited but reviewed)

Movements of long-term borrowings from financial institutions account during the nine-month period ended 30 September 2018 are summarised below.

|   | (Unit: Baht)           |
|---|------------------------|
| Balance as at 1 January 2018                                  | 3,332,416,463          |
| Borrowing during the period                                   | 1,876,187,000          |
| Amortisation of front end fee                                 | 847,500                |
| Repayment of long-term borrowings from financial institutions | <u>(1,668,134,541)</u> |
| Balance as at 30 September 2018                               | <u>3,541,316,422</u>   |

The long-term borrowings are secured by the pledge of the Company's aircraft as described in Note 6.

#### Long-term loan agreement during the period

On 13 July 2018, the Company entered into a fixed interest rate long-term loan agreement with a local bank amounting to Baht 1,226 million in order to fund the acquisition of a new aircraft that was received on 30 July 2018. The loan has a term of 12 years and is secured by the pledge of the newly acquired aircraft. The loan agreement contains certain financial covenants relating to matters such as the maintenance of a certain net interest bearing debt to equity ratio.

## **9. Debentures**

|                     | (Unit: Baht)             |                         |
|---------------------|--------------------------|-------------------------|
|                     | <u>30 September 2018</u> | <u>31 December 2017</u> |
| Debentures          | 4,100,000,000            | 1,600,000,000           |
| Less: Front end fee | <u>(5,275,696)</u>       | <u>(1,994,388)</u>      |
| Debentures - net    | <u>4,094,724,304</u>     | <u>1,598,005,612</u>    |

Debentures are unsubordinated and unsecured in Baht currency with fixed interest rates. Their fair value as at 30 September 2018 amounted to Baht 4,118 million (31 December 2017: Baht 1,625 million).

Movements of debentures account during the nine-month period ended 30 September 2018 are summarised below.

|                                 | (Unit: Baht)         |
|---------------------------------|----------------------|
| Balance as at 1 January 2018    | 1,598,005,612        |
| Issuance during the period      | 2,500,000,000        |
| Payment for front end fee       | (4,000,717)          |
| Amortisation of front end fee   | <u>719,409</u>       |
| Balance as at 30 September 2018 | <u>4,094,724,304</u> |

On 26 June 2018, the Company issued two tranches of debentures no. 1/2018, which are named-registered, unsubordinated and unsecured in Baht currency, as the following details.

- a) The first tranches of the debentures is value at Baht 1,500 million. Debentures bear a fixed interest rate at 2.56% per annum in which interest is payable semi-annually. Term of debentures is three years from the issuance date.
- b) The second tranches of the debenture is value at Baht 1,000 million. Debentures bear a fixed interest rate at 2.95% per annum in which interest is payable semi-annually. Term of debentures is five years from the issuance date.

The Company intended to use the proceeds from the issuance for general investment purpose and/or for loan repayment and/or for working capital.

#### 10. Liabilities under finance lease agreements

|  | (Unit: Baht)          |                       |
|--|-----------------------|-----------------------|
|  | 30 September 2018     | 31 December 2017      |
| Liabilities under finance lease agreements                             | 16,190,624,465        | 17,421,346,538        |
| Less: Deferred interest expenses                                       | (2,668,775,709)       | (2,890,390,622)       |
| Total  | 13,521,848,756        | 14,530,955,916        |
| Less: Portion due within one year                                      | (1,308,420,800)       | (1,299,335,216)       |
| Liabilities under finance lease agreements -<br>net of current portion | <u>12,213,427,956</u> | <u>13,231,620,700</u> |

The Company has entered into the finance lease agreements for rental of aircraft for use in its operation, whereby it is committed to pay rental on monthly and quarterly basis. The terms of the agreements are generally between 11 and 12 years.

Future minimum lease payments required under the finance lease agreements were as follows.

|   | (Unit: Baht)         |                      |                      |                       |
|---|----------------------|----------------------|----------------------|-----------------------|
|   | 30 September 2018    |                      |                      |                       |
|   | Less than<br>1 year  | 1-5 years            | Over 5 years         | Total                 |
| Future minimum lease payments                     | 1,819,692,189        | 7,278,768,748        | 7,092,163,528        | 16,190,624,465        |
| Deferred interest expenses                        | (511,271,389)        | (1,512,583,814)      | (644,920,506)        | (2,668,775,709)       |
| Present value of future minimum<br>lease payments | <u>1,308,420,800</u> | <u>5,766,184,934</u> | <u>6,447,243,022</u> | <u>13,521,848,756</u> |

(Unaudited but reviewed)

(Unit: Baht)

|  | 31 December 2017     |                      |                      |                       |
|--|----------------------|----------------------|----------------------|-----------------------|
|  | Less than            |                      |                      |                       |
|  | 1 year               | 1-5 years            | Over 5 years         | Total                 |
| Future minimum lease payments                  | 1,812,725,383        | 7,250,901,531        | 8,357,719,624        | 17,421,346,538        |
| Deferred interest expenses                     | (513,390,167)        | (1,569,571,181)      | (807,429,274)        | (2,890,390,622)       |
| Present value of future minimum lease payments | <u>1,299,335,216</u> | <u>5,681,330,350</u> | <u>7,550,290,350</u> | <u>14,530,955,916</u> |

## 11. Income tax

Interim corporate income tax was calculated on profit (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 2018 and 2017 are made up as follows.

|   | (Unit: Baht)                                   |                    |
|---|--|--------------------|
|   | For the three-month periods ended 30 September |                    |
|   | 2018   | 2017               |
| <b>Current income tax:</b>  |  |                    |
| Interim corporate income tax charge   | -  | -                  |
| <b>Deferred tax:</b>  |  |                    |
| Relating to origination and reversal of temporary differences               | <u>(66,730,731)</u>                            | <u>(8,309,412)</u> |
| <b>Income tax revenue reported in the statement of comprehensive income</b> | <u>(66,730,731)</u>                            | <u>(8,309,412)</u> |

|   | (Unit: Baht)                                  |                     |
|---|---|---------------------|
|   | For the nine-month periods ended 30 September |                     |
|   | 2018  | 2017                |
| <b>Current income tax:</b>  |   |                     |
| Interim corporate income tax charge   | -   | -                   |
| <b>Deferred tax:</b>  |   |                     |
| Relating to origination and reversal of temporary differences               | <u>(118,081,332)</u>                          | <u>(27,224,133)</u> |
| <b>Income tax revenue reported in the statement of comprehensive income</b> | <u>(118,081,332)</u>                          | <u>(27,224,133)</u> |

**12. Promotional privileges**

During the current periods, the Company received promotional tax privileges from the Board of Investment for air transport operations for 4 aircraft. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 5 years from the date the promoted operation begins generating revenues.

**13. Earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing profit (loss) for the periods attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the periods.

**14. Segment information**

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

Revenues and profit (loss) information regarding the Company's operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017 are as follows.

|   | Scheduled flight<br>operations | Charter flight<br>operations | (Unit: Baht)<br>Total segments |
|---|--------------------------------|------------------------------|--------------------------------|
| <b>For the three-month period ended 30 September 2018</b> |                                |                              |                                |
| <b>Revenues</b>   |                                |                              |                                |
| Revenues from sales and services                          | 8,664,427,355                  | 280,421,428                  | 8,944,848,783                  |
| <b>Total revenues</b>                                     | <u>8,664,427,355</u>           | <u>280,421,428</u>           | <u>8,944,848,783</u>           |
| <b>Operating result</b>                                   |                                |                              |                                |
| <b>Segment profit (loss)</b>                              | (970,493,684)                  | 73,808,711                   | (896,684,973)                  |
| Gain on exchange rate                                     |                                |                              | 104,297,207                    |
| Other income  |                                |                              | 257,837,997                    |
| Finance cost  |                                |                              | <u>(187,895,167)</u>           |
| <b>Loss before income tax</b>                             |                                |                              | (722,444,936)                  |
| Income tax revenue  |                                |                              | <u>66,730,731</u>              |
| <b>Loss for the period</b>                                |                                |                              | <u>(655,714,205)</u>           |

(Unaudited but reviewed)

(Unit: Baht)

|   | Scheduled flight<br>operations | Charter flight<br>operations | Total segments       |
|---|--------------------------------|------------------------------|----------------------|
| <b>For the three-month period ended 30 September 2017</b> |                                |                              |                      |
| <b>Revenues</b>   |                                |                              |                      |
| Revenues from sales and services                          | 8,332,230,897                  | 422,316,544                  | 8,754,547,441        |
| <b>Total revenues</b>                                     | <b>8,332,230,897</b>           | <b>422,316,544</b>           | <b>8,754,547,441</b> |
| <b>Operating result</b>                                   |                                |                              |                      |
| <b>Segment operating profit</b>                           | 217,206,707                    | 84,412,381                   | 301,619,088          |
| Gain on exchange rate                                     |                                |                              | 72,338,406           |
| Other income  |                                |                              | 238,549,021          |
| Finance cost  |                                |                              | (148,711,827)        |
| <b>Profit before income tax</b>                           |                                |                              | 463,794,688          |
| Income tax revenue  |                                |                              | 8,309,412            |
| <b>Profit for the period</b>                              |                                |                              | <b>472,104,100</b>   |

(Unit: Baht)

|  | Scheduled flight<br>operations | Charter flight<br>operations | Total segments        |
|--|--------------------------------|------------------------------|-----------------------|
| <b>For the nine-month period ended 30 September 2018</b> |                                |                              |                       |
| <b>Revenues</b>  |                                |                              |                       |
| Revenues from sales and services                         | 28,354,225,313                 | 895,524,866                  | 29,249,750,179        |
| <b>Total revenues</b>                                    | <b>28,354,225,313</b>          | <b>895,524,866</b>           | <b>29,249,750,179</b> |
| <b>Operating result</b>                                  |                                |                              |                       |
| <b>Segment profit</b>                                    | (171,036,303)                  | 246,950,770                  | 75,914,467            |
| Gain on exchange rate                                    |                                |                              | 132,635,467           |
| Other income   |                                |                              | 820,786,691           |
| Finance cost   |                                |                              | (536,042,927)         |
| <b>Profit before income tax</b>                          |                                |                              | 493,293,698           |
| Income tax revenue                                       |                                |                              | 118,081,332           |
| <b>Profit for the period</b>                             |                                |                              | <b>611,375,030</b>    |

(Unaudited but reviewed)

|  | Scheduled flight<br>operations | Charter flight<br>operations | (Unit: Baht)<br>Total segments |
|--|--------------------------------|------------------------------|--------------------------------|
| <b>For the nine-month period ended 30 September 2017</b> |                                |                              |                                |
| <b>Revenues</b>  |                                |                              |                                |
| Revenues from sales and services                         | 25,070,240,048                 | 1,196,245,886                | 26,266,485,934                 |
| <b>Total revenues</b>                                    | <b>25,070,240,048</b>          | <b>1,196,245,886</b>         | <b>26,266,485,934</b>          |
| <b>Operating result</b>                                  |                                |                              |                                |
| <b>Segment operating profit</b>                          | 1,065,785,905                  | 271,009,376                  | 1,336,795,281                  |
| Gain on exchange rate                                    |                                |                              | 246,066,557                    |
| Other income   |                                |                              | 686,881,774                    |
| Finance cost   |                                |                              | (478,954,232)                  |
| <b>Profit before income tax</b>                          |                                |                              | <b>1,790,789,380</b>           |
| Income tax revenue                                       |                                |                              | 27,224,133                     |
| <b>Profit for the period</b>                             |                                |                              | <b>1,818,013,513</b>           |

**15. Dividend paid**

| Dividend                   | Approved by   | Dividend paid        | (Unit: Baht)<br>Dividend per share |
|----------------------------|---|----------------------|------------------------------------|
| Interim dividends for 2018 | Board of Directors' Meeting<br>on 11 May 2018       | 1,785,777,960        | 41.00                              |
|                            | Board of Directors' Meeting<br>on 12 September 2018 | 1,193,422,344        | 27.40                              |
| Total dividends for 2018   |   | <b>2,979,200,304</b> | <b>68.40</b>                       |

**16. Commitments and contingent liabilities****16.1 Operating aircraft lease commitments**

The Company had the future aggregate minimum lease payment in respect of operating aircraft lease agreements made with AirAsia (Mauritius) Limited, a related company, and other lessors, and insurance agreements of aircraft and aircraft engines in respect of non-cancellable, as below.

(Unit: USD)

|                               | 30 September 2018     |                         | 31 December 2017      |                         |
|-------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                               | Lease<br>agreements   | Insurance<br>agreements | Lease<br>agreements   | Insurance<br>agreements |
| Payable:                      |                       |                         |                       |                         |
| In up to 1 year               | 158,632,265           | 2,202,668               | 146,254,409           | 1,731,785               |
| In over 1 and up to 5 years   | 434,878,651           | -                       | 450,960,870           | -                       |
| In over 5 years               | 189,457,908           | -                       | 154,582,432           | -                       |
| Total                         | <b>782,968,824</b>    | <b>2,202,668</b>        | <b>751,797,711</b>    | <b>1,731,785</b>        |
| Total equivalent to Thai Baht | <b>25,506,540,489</b> | <b>71,755,655</b>       | <b>24,694,449,773</b> | <b>56,884,288</b>       |

**16.2 Aircraft maintenance service commitments**

The Company has commitments under aircraft maintenance service agreements made with AirAsia Berhad and AirAsia (Mauritius) Limited, which are 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.



**16.3 Operating lease commitments**

The Company had the future minimum lease payments in respect of non-cancellable space, office, office equipment and ground support equipment leases as follows.

|                             | (Unit: Baht)       |                    |
|-----------------------------|--------------------|--------------------|
|                             | 30 September 2018  | 31 December 2017   |
| Payable:                    |                    |                    |
| In up to 1 year             | 140,818,438        | 143,864,226        |
| In over 1 and up to 5 years | 216,011,717        | 6,483,665          |
| Total                       | <u>356,830,155</u> | <u>150,347,891</u> |

**16.4 Guarantees**

- As at 30 September 2018, the Company had guarantee obligations for pilot trainees' education loans from a bank for commercial pilot license courses amounting to Baht 105 million (31 December 2017: Baht 86 million) with the term of guarantees of 18 months from the start date of each loan agreement.
- 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.

|                               | 30 September 2018 |                 |             |              |              | 31 December 2017 |                 |             |              |              |
|-------------------------------|-------------------|-----------------|-------------|--------------|--------------|------------------|-----------------|-------------|--------------|--------------|
|                               | Baht              | USD             | MYR         | SGD          | INR          | Baht             | USD             | MYR         | SGD          | INR          |
| Guarantees relating to        |                   |                 |             |              |              |                  |                 |             |              |              |
| flight operating activities   | 7.90              | 0.60            | 1.00        | 1.81         | 81.82        | 7.90             | 0.60            | 1.00        | 1.81         | 83.36        |
| Guarantees relating to        |                   |                 |             |              |              |                  |                 |             |              |              |
| maintenance reserve fund      | -                 | 45.09           | -           | -            | -            | -                | 42.23           | -           | -            | -            |
| Total                         | <u>7.90</u>       | <u>45.69</u>    | <u>1.00</u> | <u>1.81</u>  | <u>81.82</u> | <u>7.90</u>      | <u>42.83</u>    | <u>1.00</u> | <u>1.81</u>  | <u>83.36</u> |
| Total equivalent to Thai Baht | <u>7.90</u>       | <u>1,488.26</u> | <u>7.94</u> | <u>43.50</u> | <u>39.10</u> | <u>7.90</u>      | <u>1,406.85</u> | <u>8.17</u> | <u>44.76</u> | <u>45.45</u> |

**17. Fair values hierarchy**

As at 30 September 2018 and 31 December 2017, the Company had assets and liabilities in USD and Baht currencies disclosed at fair value which the hierarchy is level 2 as follows.

(Unit: Baht)

|  | 30 September 2018 |               | 31 December 2017  |               |
|--|-------------------|---------------|-------------------|---------------|
|  | Contract currency |               | Contract currency |               |
|  | USD               | Baht          | USD               | Baht          |
| <b>Asset disclosed at fair value</b>       |                   |               |                   |               |
| Derivatives                                |                   |               |                   |               |
| Fuel price swap agreements                 | 86,955,296        | -             | 164,574,209       | -             |
| Interest rate swap agreements              | 179,651,891       | -             | 95,847,815        | -             |
| Foreign exchange forward contracts         | 14,326,625        | -             | -                 | -             |
| <b>Liabilities disclosed at fair value</b> |                   |               |                   |               |
| Derivatives                                |                   |               |                   |               |
| Interest rate swap agreements              | -                 | 34,976,777    | -                 | 65,881,468    |
| Foreign exchange forward contracts         | 280,652,309       | -             | 233,934,268       | -             |
| Cross currency swap agreements             | 70,710,534        | -             | 79,991,180        | -             |
| Debentures                                 | -                 | 4,118,091,016 | -                 | 1,624,836,995 |

During the current periods, there were no transfers within the fair value hierarchy.

**18. Reclassifications**

The Company reclassified certain amounts in the comprehensive income statements for the three-month and nine-month periods ended 30 September 2017 to conform to the current periods' classifications, as follows.

(Unit: Baht)

|                                  | For the three-month period ended |                        |
|----------------------------------|----------------------------------|------------------------|
|                                  | 30 September 2017                |                        |
|                                  | As reclassified                  | As previously reported |
| Revenues from sales and services | 8,754,547,441                    | 8,734,499,785          |
| Other income                     | 238,549,021                      | 258,596,677            |
| Cost of sales and services       | 7,750,910,011                    | 7,737,506,204          |
| Selling expenses                 | 362,758,398                      | 362,076,787            |
| Administrative expenses          | 339,259,944                      | 353,345,362            |

(Unaudited but reviewed)

(Unit: Baht)

For the nine-month period ended

30 September 2017

|                                  | As reclassified | As previously reported |
|----------------------------------|-----------------|------------------------|
| Revenues from sales and services | 26,266,485,934  | 26,220,373,160         |
| Other income                     | 686,881,774     | 732,994,548            |
| Cost of sales and services       | 22,807,456,561  | 22,767,245,106         |
| Selling expenses                 | 1,119,272,181   | 1,117,227,355          |
| Administrative expenses          | 1,002,961,911   | 1,045,218,192          |

The reclassifications had no effect to previously reported profit or shareholders' equity.

#### **19. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2018.