

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE PLAN ADMINISTRATOR
THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Thai Airways International Public Company Limited and its subsidiaries (the “Group”) and the separate statement of financial position of Thai Airways International Public Company Limited (the “Company”) as at September 30, 2023, the related consolidated and separate statements of profit or loss and other comprehensive income, for the three-month and nine-month periods ended September 30, 2023 and the related consolidated and separate statements of changes in shareholders’ equity and the related consolidated and separate statements of cash flows for the nine-month period ended September 30, 2023, and the condensed notes to the financial statements. The Company’s management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, “Interim Financial Reporting”.

Emphasis of Matter

We draw attention to Notes 1 and 4 to the interim financial statements, during the years 2020 to 2022, the Company had submitted petition to the business rehabilitation and implemented the plan and the latest revised plan which was approved on October 20, 2022. The essential parts of business rehabilitation plan consist of capital restructuring, debt financing and capital mobilization, debt repayment of each class of the creditors, and completion of the plan. However, the achievements of the rehabilitation plan depend on the Company's ability to implement and rehabilitate according to all conditions as specified in the completion of business rehabilitation plan. Our conclusion is not modified in respect of this matter.

BANGKOK
November 9, 2023

Juntira Juntrachaichoat
Certified Public Accountant (Thailand)
Registration No. 6326
DELOITTE TOUCHE TOHMATSU JAIYS AUDIT CO., LTD.

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at September 30, 2023 “Unaudited”	As at December 31, 2022	As at September 30, 2023 “Unaudited”	As at December 31, 2022
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6.1	53,593,963,134	34,539,793,772	52,701,447,273	34,042,074,166
Trade and other current receivables	5, 7	18,847,522,948	16,955,034,829	18,984,631,167	17,040,069,085
Inventories and supplies		5,138,754,872	4,448,944,904	5,088,034,154	4,427,515,059
Current tax assets		260,032,138	317,595,696	260,032,138	317,595,696
Other current financial assets	6.1, 8	9,792,861,226	-	9,692,824,000	-
Other current assets	24.5	725,618,338	795,858,833	725,618,338	795,821,693
Non-current assets classified as held for sale	9	2,817,614,427	2,746,514,121	2,817,614,427	2,746,514,121
Total Current Assets		91,176,367,083	59,803,742,155	90,270,201,497	59,369,589,820
NON-CURRENT ASSETS					
Other non-current financial assets	18, 24.5	3,205,356,576	3,243,541,000	3,177,605,129	3,212,334,853
Investments in associates	10.1	551,416,777	511,002,483	383,334,000	383,334,000
Investments in subsidiaries	10.2	-	-	10,209,920	10,209,920
Non-current receivable under lease agreements	5.3	-	-	5,283,389,248	6,495,040,409
Property, plant and equipment	11	45,395,932,287	45,968,605,615	45,371,658,065	45,918,253,719
Right-of-use assets	12	62,934,436,422	61,868,826,214	58,625,632,770	56,295,477,032
Intangible assets		133,113,173	166,069,480	123,542,157	145,112,285
Deferred tax assets		10,258,746,621	9,599,009,022	10,251,716,925	9,591,946,667
Maintenance reserves	13	15,788,973,213	14,328,757,735	15,788,973,213	14,328,757,735
Other non-current assets	14	4,845,889,071	2,688,165,526	4,734,262,929	2,548,555,188
Total Non-current Assets		143,113,864,140	138,373,977,075	143,750,324,356	138,929,021,808
TOTAL ASSETS		234,290,231,223	198,177,719,230	234,020,525,853	198,298,611,628

See condensed notes to the financial statements

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2023

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at September 30, 2023 “Unaudited”	As at December 31, 2022	As at September 30, 2023 “Unaudited”	As at December 31, 2022
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and othe current payables	5, 17	33,397,738,397	25,036,720,096	30,964,397,465	23,148,070,066
Deferred revenue		39,036,181,685	35,679,208,931	38,544,604,337	35,344,600,968
Current portion of long-term liabilities					
Long-term borrowing from related parties	5.2, 6.3	-	453,754,166	-	453,754,166
Leases liabilities	6.3, 16	5,479,384,531	1,979,804,017	5,471,585,679	1,975,960,540
Short-term borrowings from related parties	5.2, 6.3	-	39,000,000	-	-
Income tax payable		6,256,533	4,500,589	-	-
Accrued dividends		54,603,445	54,565,362	54,228,762	54,228,762
Other current liabilities		897,133,344	409,029,424	896,659,277	408,993,722
Total Current Liabilities		78,871,297,935	63,656,582,585	75,931,475,520	61,385,608,224
NON-CURRENT LIABILITIES					
Long-term liabilities					
Long-term borrowings from financial institutions	6.3, 15.1	8,221,716,625	7,717,759,083	8,221,716,625	7,717,759,083
Long-term borrowings from related parties	5.2, 6.3	24,666,523,010	23,907,474,750	24,666,523,010	23,907,474,750
Leases liabilities	6.3, 16	80,561,081,288	85,141,788,721	80,559,836,701	85,140,838,305
Debentures	6.3, 15.2	45,803,856,034	42,764,683,547	45,803,856,034	42,764,683,547
Trade and other non-current payables	5, 17	16,124,820,107	13,796,918,544	16,124,820,107	13,796,918,544
Staff pension fund	18	902,597,384	931,905,658	902,597,384	931,905,658
Non-current provisions for employee benefits	19	4,583,957,892	4,496,194,282	4,502,851,957	4,414,525,009
Other non-current provisions	20	29,244,967,180	26,776,840,778	23,798,401,651	19,848,841,569
Other non-current liabilities		15,358,670	12,207,708	1,186,284,470	1,883,304,922
Total Non-current Liabilities		210,124,878,190	205,545,773,071	205,766,887,939	200,406,251,387
TOTAL LIABILITIES		288,996,176,125	269,202,355,656	281,698,363,459	261,791,859,611

See condensed notes to the financial statements

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2023

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at September 30, 2023 “Unaudited”	As at December 31, 2022	As at September 30, 2023 “Unaudited”	As at December 31, 2022
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
33,682.46 million ordinary shares par value					
of Baht 10 each		336,824,601,650	336,824,601,650	336,824,601,650	336,824,601,650
Issued and paid-up share capital					
2,182.77 million ordinary shares par value					
of Baht 10 each		21,827,719,170	21,827,719,170	21,827,719,170	21,827,719,170
Premium on ordinary shares		1,862,979,154	1,862,979,154	1,862,979,154	1,862,979,154
DEFICIT					
Unappropriated (deficit)		(87,482,082,264)	(103,848,403,956)	(80,358,763,229)	(96,236,279,467)
Other components of shareholders' equity		9,012,886,883	9,074,992,677	8,990,227,299	9,052,333,160
Total shareholders' equity attributable					
to owners of the Company (capital deficiency)		(54,778,497,057)	(71,082,712,955)	(47,677,837,606)	(63,493,247,983)
Non-controlling interests		72,552,155	58,076,529	-	-
TOTAL SHAREHOLDERS' EQUITY					
(CAPITAL DEFICIENCY)		(54,705,944,902)	(71,024,636,426)	(47,677,837,606)	(63,493,247,983)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		234,290,231,223	198,177,719,230	234,020,525,853	198,298,611,628

See condensed notes to the financial statements

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(Mr.Chai Eamsiri)
Chief Executive Officer

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(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		2023	2022	2023	2022
Revenues	23.1, 23.2				
Revenues from sales or rendering services	21				
Passenger and excess baggage		30,920,518,762	24,463,303,564	28,598,739,845	21,949,563,029
Freight and mail		3,461,298,985	6,427,122,428	3,461,270,513	6,412,909,463
Other businesses		2,092,778,364	1,860,554,992	2,215,148,005	2,231,100,501
Total revenues from sales or rendering services		36,474,596,111	32,750,980,984	34,275,158,363	30,593,572,993
Other income					
Interest income		418,872,839	5,092,572	418,411,574	5,014,226
Gain on debt restructuring	4.2	33,277,008	420,251,057	33,277,008	420,251,057
Other income	22.2	271,477,406	210,609,555	297,873,223	181,521,735
Total other income		723,627,253	635,953,184	749,561,805	606,787,018
Total Revenues		37,198,223,364	33,386,934,168	35,024,720,168	31,200,360,011
Expenses					
Aircraft fuel expenses		11,995,438,155	12,870,807,579	10,924,489,723	11,658,437,240
Employee benefits expenses		2,537,964,486	1,880,738,606	2,430,690,111	1,751,771,036
Flight service expenses		3,485,812,471	2,637,638,799	3,247,357,459	2,380,499,136
Crew expenses		969,431,155	728,273,074	885,167,902	634,793,664
Aircraft repair and maintenance costs		1,873,137,230	3,286,685,200	1,757,514,008	2,618,721,265
Depreciation and amortization expenses		2,957,214,291	2,336,272,547	2,771,070,150	2,126,485,455
Lease of aircraft and spare parts		677,999,782	1,644,838,429	664,687,785	1,655,537,217
Inventories and supplies expenses		1,454,473,482	862,383,936	1,388,115,813	796,157,153
Selling and advertising expenses		1,658,693,422	1,370,610,850	1,489,242,188	1,187,008,820
Impairment loss on rotatable aircraft's spare part		10,707,908	3,693,543	10,707,908	3,693,543
Net loss from foreign exchange rates		2,307,836,800	5,798,282,416	2,051,931,721	5,214,660,027
Other expenses		2,178,734,049	1,272,967,595	2,177,171,610	1,203,894,845
Total Expenses		32,107,443,231	34,693,192,574	29,798,146,378	31,231,659,401
Profit (loss) from operating activities		5,090,780,133	(1,306,258,406)	5,226,573,790	(31,299,390)
Finance costs		3,722,130,968	3,671,680,346	3,569,421,893	3,167,775,474
Impairment loss (profit) in accordance with TFRS 9		114,903,195	(4,103,920)	26,826,685	1,027,272,912
Share of profit from investments in associates		(11,516,702)	(10,027,251)	-	-
Profit (loss) before income tax income		1,265,262,672	(4,963,807,581)	1,630,325,212	(4,226,347,776)
Income tax income		280,884,203	183,964,341	285,887,611	189,201,868
Profit (loss) for the periods		1,546,146,875	(4,779,843,240)	1,916,212,823	(4,037,145,908)

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdhome Therdsteeasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2023	2022	2023	2022
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income					
that will not be reclassified to profit or loss					
Gain on remeasuring equity securities at fair value					
	through other comprehensive income	765,028	7,441,601	765,112	7,441,601
Income tax related to investment in equity designated at					
	fair value through other comprehensive income	(153,006)	-	(153,022)	-
Total components of other comprehensive income					
	that will not be reclassified to profit or loss	612,022	7,441,601	612,090	7,441,601
Other comprehensive income for the periods - net of tax					
		612,022	7,441,601	612,090	7,441,601
Total comprehensive income (loss) for the periods					
		1,546,758,897	(4,772,401,639)	1,916,824,913	(4,029,704,307)
Profit (loss) attributable to :					
Owners of parent					
		1,537,686,368	(4,785,170,590)	1,916,212,823	(4,037,145,908)
Non-controlling interests					
		8,460,507	5,327,350	-	-
		1,546,146,875	(4,779,843,240)	1,916,212,823	(4,037,145,908)
Total comprehensive income (loss) attributable to :					
Owners of parent					
		1,538,298,390	(4,777,728,989)	1,916,824,913	(4,029,704,307)
Non-controlling interests					
		8,460,507	5,327,350	-	-
		1,546,758,897	(4,772,401,639)	1,916,824,913	(4,029,704,307)
Profit (loss) per share					
Number of ordinary shares (shares)					
		2,182,771,917	2,182,771,917	2,182,771,917	2,182,771,917
Basic earnings (loss) per share (Baht per share)					
		0.70	-2.19	0.88	-1.85

See condensed notes to the financial statements

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdhome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		2023	2022	2023	2022
Revenues	23.1, 23.2				
Revenues from sales or rendering services	21				
Passenger and excess baggage		97,023,812,713	41,700,251,099	88,902,511,876	35,967,410,218
Freight and mail		11,656,704,387	18,061,393,771	11,660,513,979	18,020,505,328
Other businesses		5,995,528,841	4,810,339,797	7,027,837,409	5,659,405,924
Total revenues from sales or rendering services		114,676,045,941	64,571,984,667	107,590,863,264	59,647,321,470
Other income					
Interest income		813,053,822	13,963,021	810,665,691	13,551,283
Gain on sales of investments	22.1	2,510	16,132,150	2,510	16,132,150
Gain on debt restructuring	4.2	3,614,869,985	7,415,057,001	3,614,869,985	7,415,057,001
Other income	22.2	930,795,412	1,075,533,010	862,710,580	1,045,692,047
Total other income		5,358,721,729	8,520,685,182	5,288,248,766	8,490,432,481
Total Revenues		120,034,767,670	73,092,669,849	112,879,112,030	68,137,753,951
Expenses					
Aircraft fuel expenses		34,290,949,019	26,064,158,414	31,416,855,828	23,251,073,057
Employee benefits expenses		7,408,313,127	5,125,274,837	7,067,544,579	4,749,901,663
Flight service expenses		10,050,738,536	6,014,312,119	9,239,738,054	5,463,650,156
Crew expenses		2,958,626,265	1,672,294,392	2,666,210,900	1,417,127,733
Aircraft repair and maintenance costs		8,270,054,011	7,691,385,749	8,495,062,920	5,738,551,343
Depreciation and amortization expenses		8,259,854,284	7,303,230,522	7,693,801,667	6,377,716,255
Lease of aircraft and spare parts		2,030,365,784	3,506,106,190	2,007,164,491	3,430,635,598
Inventories and supplies expenses		4,156,597,391	1,817,245,720	3,936,043,467	1,658,743,934
Selling and advertising expenses		4,820,694,547	3,032,547,023	4,304,493,063	2,524,596,535
Impairment loss on rotatable aircraft's spare part		77,078,546	12,087,518	77,078,546	12,087,518
Net loss from foreign exchange rates		5,522,116,511	8,744,135,684	4,850,737,324	7,961,887,027
Other expenses		5,054,284,213	3,439,372,878	4,805,609,820	2,871,338,371
Total Expenses		92,899,672,234	74,422,151,046	86,560,340,659	65,457,309,190
Profit (loss) from operating activities		27,135,095,436	(1,329,481,197)	26,318,771,371	2,680,444,761
Finance costs		11,237,140,216	9,264,935,266	10,694,003,854	7,937,838,036
Impairment loss in accordance with TFRS 9		235,396,607	99,071,091	455,063,602	2,674,614,324
Share of (profit) loss from investments in associates		(40,414,131)	7,146,980	-	-
Profit (loss) before income tax expenses		15,702,972,744	(10,700,634,534)	15,169,703,915	(7,932,007,599)
Income tax income (expenses)		638,608,547	-536,062,152	655,027,606	-524,735,806
Profit (loss) for the periods		16,341,581,291	(11,236,696,686)	15,824,731,521	(8,456,743,405)

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdchome Therdsteeerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		2023	2022	2023	2022
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gain (loss) on remeasuring equity securities at fair value through other comprehensive income		(11,651,348)	22,877,299	(11,651,430)	15,226,783
Income tax related to investment in equity designated at fair value through other comprehensive income		2,330,270	-	2,330,286	-
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss		(9,321,078)	22,877,299	(9,321,144)	15,226,783
Other comprehensive income (loss) for the periods - net of tax		(9,321,078)	22,877,299	(9,321,144)	15,226,783
Total comprehensive income (loss) for the periods		16,332,260,213	(11,213,819,387)	15,815,410,377	(8,441,516,622)
Profit (loss) attributable to :					
Owners of parent		16,313,536,976	(11,252,541,503)	15,824,731,521	(8,456,743,405)
Non-controlling interests		28,044,315	15,844,817	-	-
		16,341,581,291	(11,236,696,686)	15,824,731,521	(8,456,743,405)
Total comprehensive income (loss) attributable to :					
Owners of parent		16,304,215,898	(11,229,664,204)	15,815,410,377	(8,441,516,622)
Non-controlling interests		28,044,315	15,844,817	-	-
		16,332,260,213	(11,213,819,387)	15,815,410,377	(8,441,516,622)
Profit (loss) per share					
Number of ordinary shares (share)		2,182,771,917	2,182,771,917	2,182,771,917	2,182,771,917
Basic earnings (loss) per share (Baht per share)		7.47	(5.16)	7.25	(3.87)

See condensed notes to the financial statements

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdchome Therdsteeerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
"UNAUDITED"

UNIT : BAHT

	Consolidated financial statements							Non-controlling interests	Total shareholders' equity
	Owner of the shareholders' equity						Shareholders' equity attributable to owners of the parent company		
	Issued and paid-up share capital	Premium on Shares	Deficit Unappropriated	Other components of shareholders' equity					
				Other comprehensive income (loss)					
				Surplus on revaluation assets - net of tax	Gain (loss) on remeasuring equity securities at fair value through other comprehensive income	Total other components of shareholders' equity			
Total									
Balance as at January 1, 2022	21,827,719,170	1,862,979,154	-104,673,778,434	9,650,207,226	9,763,725	9,659,970,951	-71,323,109,159	72,630,880	-71,250,478,279
Changes in Shareholders' Equity									
Dividends paid	-	-	-	-	-	-	-	-35,100,000	-35,100,000
Dividends paid to cumulative preferred shares	-	-	-	-	-	-	-	-68,683	-68,683
Transfer capital surplus from valuation of sold asset	-	-	601,014,315	-601,014,315	-	-601,014,315	-	-	-
Total comprehensive income (loss) for the period	-	-	-11,252,541,503	-	22,877,299	22,877,299	-11,229,664,204	15,844,817	-11,213,819,387
Balance as at September 30, 2022	21,827,719,170	1,862,979,154	-115,325,305,622	9,049,192,911	32,641,024	9,081,833,935	-82,552,773,363	53,307,014	-82,499,466,349
Balance as at January 1, 2023	21,827,719,170	1,862,979,154	(103,848,403,956)	9,031,404,655	43,588,022	9,074,992,677	(71,082,712,955)	58,076,529	(71,024,636,426)
Changes in Shareholders' Equity									
Dividends paid	-	-	-	-	-	-	-	(13,498,961)	(13,498,961)
Dividends paid to cumulative preferred shares	-	-	-	-	-	-	-	(69,728)	(69,728)
Transfer capital surplus from valuation of sold asset	-	-	52,784,716	(52,784,716)	-	(52,784,716)	-	-	-
Total comprehensive income (loss) for the period	-	-	16,313,536,976	-	(9,321,078)	(9,321,078)	16,304,215,898	28,044,315	16,332,260,213
Balance as at September 30, 2023	21,827,719,170	1,862,979,154	(87,482,082,264)	8,978,619,939	34,266,944	9,012,886,883	(54,778,497,057)	72,552,155	(54,705,944,902)

See condensed notes to the financial statements

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
“UNAUDITED”

UNIT : BAHT

	Separate financial statements						Total shareholders' equity
	Issued and paid-up share capital	Premium on Shares	Deficit Unappropriated	Other components of shareholders' equity			
				Other comprehensive income (loss)			
				Surplus on revaluation assets - net of tax	Gain (loss) on remeasuring equity securities at fair value through other comprehensive income	Total other components of shareholders' equity	
Balance as at January 1, 2022	21,827,719,170	1,862,979,154	-100,007,567,657	9,650,207,226	8,745,279	9,658,952,505	-66,657,916,828
Changes in Shareholders' Equity							
Transfer capital surplus from valuation of sold asset	-	-	601,014,315	-601,014,315	-	-601,014,315	-
Total comprehensive income (loss) for the period	-	-	-8,456,743,405	-	15,226,783	15,226,783	-8,441,516,622
Balance as at September 30, 2022	<u>21,827,719,170</u>	<u>1,862,979,154</u>	<u>-107,863,296,747</u>	<u>9,049,192,911</u>	<u>23,972,062</u>	<u>9,073,164,973</u>	<u>-75,099,433,450</u>
Balance as at January 1, 2023	21,827,719,170	1,862,979,154	(96,236,279,466)	9,031,404,655	20,928,504	9,052,333,159	(63,493,247,983)
Changes in Shareholders' Equity							
Transfer capital surplus from valuation of sold asset	-	-	52,784,716	(52,784,716)	-	(52,784,716)	-
Total comprehensive income (loss) for the period	-	-	15,824,731,521	-	(9,321,144)	(9,321,144)	15,815,410,377
Balance as at September 30, 2023	<u>21,827,719,170</u>	<u>1,862,979,154</u>	<u>(80,358,763,229)</u>	<u>8,978,619,939</u>	<u>11,607,360</u>	<u>8,990,227,299</u>	<u>(47,677,837,606)</u>

See condensed notes to the financial statements

.....
(Mr.Chai Eamsiri)
Chief Executive Officer

.....
(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit (Loss) for the periods		16,341,581,291	(11,236,696,686)	15,824,731,521	(8,456,743,405)
Adjustment to reconcile profit and loss					
Income tax income (expenses)		(638,608,547)	536,062,152	(655,027,606)	524,735,806
Depreciation and amortization		8,259,854,284	7,303,230,522	7,693,801,667	6,377,716,255
Dividend received		(1,046,511)	(6,344)	(18,134,176)	(42,906,176)
Share of (gain) loss from associates using the equity method		(40,414,131)	7,146,980	-	-
Interest income		(813,053,822)	(13,963,021)	(810,665,691)	(13,551,283)
Finance cost		11,237,140,216	9,264,935,266	10,694,003,854	7,937,838,036
Gain on disposal of assets		(522,622,284)	(723,201,472)	(522,622,175)	(723,201,472)
Gain on sale of investments	22.1	(2,510)	(16,132,150)	(2,510)	(16,132,150)
Loss on foreign exchange rates		2,943,224,615	7,598,298,930	2,698,551,923	7,107,350,156
Loss (gain) arising from financial asset designated at fair value through profit or loss		51,983,461	(86,652,300)	51,983,461	(86,652,300)
Provisions for pension fund	18	59,129,198	15,052,126	59,129,198	15,052,126
Provisions for employee benefits	19	231,631,135	245,110,500	232,064,474	232,752,724
Provisions for long-term aircraft maintenance		1,419,612,778	1,517,500,152	2,804,539,877	1,802,075,017
Loss on inventories and supplies obsolescence (reversal)		(8,048,964)	31,961,950	(8,048,964)	31,961,950
Credit loss on financial assets		235,396,607	99,071,091	455,063,602	2,674,614,324
Loss on termination of lease contract (reversal)		(24,623,302)	70,025,333	(24,623,302)	70,025,333
Loss on write off asset		4,741,799	1,368,458	4,741,799	1,368,458
Gain on debt restructuring		(3,614,869,985)	(7,415,057,001)	(3,614,869,985)	(7,415,057,001)
Impairment loss on rotatable aircraft's spare part		77,078,546	12,087,518	77,078,546	12,087,518
Profit from operating before changes in operating assets and liabilities		35,198,083,874	7,210,142,004	34,941,695,513	10,033,333,916
Operating assets decrease (increase)					
Trade and other current receivables		(1,424,911,931)	(11,473,301,565)	(2,078,719,434)	(13,330,870,808)
Lease receivables		-	-	788,224,733	474,098,353
Inventories and supplies		(649,889,102)	45,125,422	(652,470,130)	46,359,713
Other current assets		26,570,306	260,115,999	70,203,355	260,115,999
Maintenance reserves		(645,172,327)	1,468,909,547	(562,071,462)	1,256,382,435
Other non-current financial assets		(25,920,575)	(30,474,076)	(25,920,575)	(30,474,076)
Other non-current assets		(1,761,429,046)	1,012,398,948	(1,762,505,202)	967,337,226

(Mr.Chai Eamsiri)
Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)
Chief, Finance and Accounting

THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

“UNAUDITED”

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Operating liabilities increase (decrease)					
Trade and other payables		2,325,325,185	2,724,742,348	2,623,881,602	1,506,934,895
Deferred revenue		3,357,307,485	16,357,222,681	3,200,338,100	16,276,181,937
Other current liabilities		298,524,400	(708,504,370)	298,524,400	(709,816,955)
Staff pension fund		(80,522,402)	(71,524,550)	(80,522,402)	(71,524,550)
Employee benefit paid		(143,867,526)	(394,649,797)	(143,737,526)	(393,463,397)
Other non-current liabilities		65,668,800	(259,481,161)	(697,020,453)	(258,760,835)
Net cash provided by operations		36,539,767,141	16,140,721,430	35,919,900,519	16,025,833,853
Income tax paid		(293,799,979)	(235,813,550)	(260,032,138)	(228,533,464)
Income tax refund		199,243,089	202,113,949	199,243,089	202,113,949
Net cash flows provided by operating activities		36,445,210,251	16,107,021,829	35,859,111,470	15,999,414,338
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash paid for purchase other current financial assets		(9,792,824,000)	-	(9,692,824,000)	-
Deposits received from sale of assets		170,039,658	126,582,701	170,039,658	126,582,701
Cash paid for purchase of property, plant and equipment		(4,619,334,378)	(124,277,170)	(4,606,196,963)	(113,603,088)
Cash paid for purchase of intangible assets		(9,309,256)	(11,770,300)	-	-
Cash received from sales of assets		1,613,474,747	2,207,526,207	1,613,474,467	2,207,526,207
Cash received from sales of investments	22.1	3,468,710	247,186,626	14,010	247,186,626
Interest received		681,707,684	6,308,700	679,764,191	5,953,129
Dividend received		6,176	35,576	17,094,176	42,906,176
Net cash flows provided by (used in) investing activities		(11,952,770,659)	2,451,592,340	(11,818,634,461)	2,516,551,751
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for long-term borrowings					
from related party		(453,754,166)	-	(453,754,166)	-
Cash received for short-term borrowings					
from related party	6.3	-	41,000,000	-	-
Cash paid for short-term borrowings					
from related party	6.3	(39,000,000)	-	-	-
Cash paid for lease liabilities	6.3	(6,162,982,562)	(887,942,907)	(6,155,842,787)	(880,700,472)
Dividends paid		-	(7,692)	-	-
Dividends of subsidiary paid to non-controlling interests		(13,522,908)	(31,215,216)	-	-
Net cash flows used in financing activities		(6,669,259,636)	(878,165,815)	(6,609,596,953)	(880,700,472)
Net increase in cash and cash equivalents					
before effect of exchange rate		17,823,179,956	17,680,448,354	17,430,880,056	17,635,265,617
Effects of exchange rate changes on cash and cash equivalents		1,241,670,120	127,762,221	1,239,173,765	131,205,449
Effects of reverse credit loss on cash and cash equivalents		(10,680,714)	(14,608,526)	(10,680,714)	(14,608,526)
Cash and cash equivalents at beginning of the periods	6.1	34,539,793,772	5,514,653,800	34,042,074,166	5,121,813,222
Cash and cash equivalents at ending of the periods	6.1	53,593,963,134	23,308,255,849	52,701,447,273	22,873,675,762
See condensed notes to the financial statements					

(Mr.Chai Eamsiri)

Chief Executive Officer

(Mrs.Cherdchome Therdsteerasukdi)

Chief, Finance and Accounting

**THAI AIRWAYS INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023
(UNAUDITED)**

1. GENERAL INFORMATION AND OPERATION

Thai Airways International Public Company Limited (the “Company”) was registered as a Public Limited Company in Thailand and listed on the Stock Exchange of Thailand on July 19, 1991. The registered address is located at 89 Vibhavadee Rungsit Road, Chom Phon, Chatuchak District, Bangkok, Thailand.

As at September 30, 2023, the Company’s major shareholder who has highest shareholding is the Ministry of Finance by holding 47.86% of the Company’s issued and paid-up shares.

The Company’s principal activities are the operation of airline business and business units which related directly with transportation. As at September 30, 2023, the Company had the routes network servicing to 42 destinations in 21 countries all over the world and Thai Smile Airways Company Limited, a subsidiary, had the routes network servicing to 23 destinations in 9 countries, whereas 10 destinations were domestic (excluding Bangkok) and as at September 30, 2022, the Company had the routes network servicing to 31 destinations in 18 countries all over the world. Thai Smile Airways Company Limited, a subsidiary, had the routes network servicing to 20 destinations in 8 countries, whereas 11 destinations were domestic (excluding Bangkok).

As at September 30, 2023, the Company and its subsidiaries (the “Group”) have the capital deficiency by Baht 54,706 million and Baht 47,678 million in the consolidated and separate financial statements, respectively. However, the Company’s management believes that the preparation of financial statements on going concern basis is still appropriate because the Company is in the process of business rehabilitation. During this period, the Company is able to continue its necessary activities for operation as usual in order to enable the Company to continue as a going concern for at least 12 months from the date in the statements of financial position. The Company’s ability to continue as going concern is subjected to ability to implement the plan and to rehabilitate according to all conditions as specified in the rehabilitation plan. Moreover, the business operation should be appropriately managed in term of flight route planning, the number of flights and management of aircraft in the fleet in responding to such situation being under recovery of the airline business in order to maintain the appropriate financial liquidity.

During the years 2020 to 2022, the Company had submitted petition to the business rehabilitation and implemented the plan and the latest revised plan which was approved on October 20, 2022. The essential parts of business rehabilitation plan consist of capital restructuring, debt financing and capital mobilization, debt repayment of each class of the creditors, and completion of the plan are disclosed in Note 4.

As at December 31, 2022, the company remeasured financial liabilities according to the amendment of the business rehabilitation plan. The company remeasured the principal of debt under the business rehabilitation plan which will be converted to ordinary shares at baht 2.5452 per share for loan creditors from major shareholders that are not financial institutions, financial institution creditors assigned to receive residual proceeds from the disposal of aircraft, unsecured financial institution creditors and bond creditors. The repayment will be made within the year 2024 (see Note 4).

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements. In the event of any conflict or different interpretation in the two languages, the Thai version of the financial statements, in accordance with Thai laws will prevail.

2.2 The consolidated and separate statements of financial position as at December 31, 2022, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been audited.

2.3 The unaudited results of operations presented in the statement of profit or loss and other comprehensive income for the nine-month period ended September 30, 2023 are not necessarily an indication nor anticipation of the operating results for the full year.

2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2023 should be read in conjunction with the financial statements for the year ended December 31, 2022 which had been audited.

2.5 In the preparation of interim financial statements in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting”, the Company requires management to make judgments that affect the application of accounting policies, estimates and assumptions affecting the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the period. Although these estimates are based on management’s reasonable consideration of current events, actual results may differ from these estimates.

2.6 Material intercompany transactions between the Company and its subsidiaries have been eliminated from the interim consolidated financial statements. The subsidiaries are as follows:

Company's Name	Type of business	Main location of incorporation	Ownership percentage	
			As at September 30, 2023	As at December 31, 2022
Held by the Company:				
1. Thai-Amadeus Southeast Asia Company Limited	Information technology for travel services	Thailand	55	55
2. WingSpan Services Company Limited	Providing specialized personnel services to the Company	Thailand	49 ⁽¹⁾	49 ⁽¹⁾
3. Thai Smile Airways Company Limited	Air transportation services	Thailand	100	100
Held by the Company and the subsidiary				
Thai Flight Training Company Limited	Aviation training services	Thailand	74	74
Held by the subsidiary of the Company				
A subsidiary held by WingSpan Services Company Limited				
Tour Eurng Luang Company Limited	Tourism Business	Thailand	49 ⁽¹⁾	49 ⁽¹⁾

⁽¹⁾ The Group has interest in the ownership and voting rights in these companies, more than one half in accordance with the Articles of Association of these companies and has control and command over the relevant operating and financing activities of such companies. Therefore, the Group classifies these companies as subsidiaries of the Group in accordance with Thai Financial Reporting Standard No. 10.

2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding Thai Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and clarification of accounting requirements. The adoption of these financial reporting standards does not have any significant impact on the Group's interim financial statements.

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

Financial reporting standards effective for financial statements with accounting periods beginning on or after 1 January 2024 onwards.

On August 8, 2023, the revised financial reporting standards were published in the Royal Gazette. Most of this is an update to wording and references from TFRS 17, Insurance Contracts. The financial reporting standards that have been revised and are relevant to the Group are as follows:

Accounting Standards No. 1: Presentation of Financial Statements

This update amends the accounting policy disclosure requirements from “Important accounting policies” is “significant accounting policy information”. Accounting policy information will be significant. If considered together with other information included in the group's financial statements, that information can be reasonably expected that it influences decisions on the financial statement information of the primary users of general purpose financial statements

Accounting Standards No. 8: Accounting Policies Changes in accounting estimates and errors

This update revises the definition of an accounting estimate as “Monetary amounts in financial statements that change due to measurement uncertainty” to help the Group differentiate between “Changes in accounting estimates” can be changed from “changes in accounting policies”.

Accounting Standard No. 12: Income Tax

This update adds a requirement to recognize deferred taxes at initial recognition.

This creates equal value of the taxable temporary difference and the deductible temporary difference such as right-of-use assets and lease liabilities and obligations from demolition such improvements Applicable to transactions beginning on or after the start of the earliest comparative period offered Moreover, at the beginning of the first comparative period presented The Group must recognize deferred tax assets. It is recognized as the amount that it is probable that the Group will have sufficient taxable profit against which the temporary difference can be deducted from tax. and recognizes a deferred tax liability for all taxable temporary the cumulative effect of the commencement of this amendment is treated as an adjustment in carried forward retained earnings (or other components of equity as appropriate) differences and deductible temporary differences related to that item.

The Group's management will adopt relevant financial reporting standards and begin applying them to the Group's financial statements. When such financial reporting standards come into effect The management of the Group is in the process of evaluating the impact of these financial reporting standards on the Company's financial statements in the period that they will be effective.

Financial reporting standards effective for financial statements with accounting periods beginning on or after 1 January 2025 onwards.

On August 19, 2022, Financial Reporting Standards No. 17, Insurance Contracts

It has been announced in the Royal Gazette. It sets out the principles for item recognition, measurement and valuation. Presentation and disclosure of insurance contracts This Financial Reporting Standard No. 17 replaces Financial Reporting Standard No. 4, Insurance Contracts. The Group has no accounting transactions that must comply with this Financial Reporting Standard.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated and separate financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2022.

4. REHABILITATION PLANS

4.1. Essential parts of the business rehabilitation plan

Summary of essential parts of the business rehabilitation plan were as follows:

4.1.1 Capital Restructuring

The capital restructuring can be summarized as follows:

- (1) The Company will increase its registered capital for an amount up to Baht 216,773,146,220 by issuing newly ordinary shares up to 21,677,314,622 shares with the par value of Baht 10 per share. The Company will allocate the newly issued ordinary shares as follows:
 - (a) To allot newly issued ordinary shares, not exceeding 4,911,236,813 shares with the par value of Baht 10 per share, for supporting the exercise of the right of a new financial supporter to purchase them in accordance with the share option agreement at the price of Baht 2.5452 per share.

In the case that there is remaining newly issued ordinary share prescribed (a), in any case, the remaining newly issued ordinary share shall be allocated to Creditor Class 5 Financial Institution Creditors assigned to receive residual proceeds from the disposal of aircraft, Creditor Class 6 Unsecured Financial Institution Creditors, and Creditors Class 18-31 Bond Creditor. These creditors can express the intention to exercise the right to convert their existing debt of the creditors under the business rehabilitation plan into the newly issued ordinary shares up to the amount that each creditor is entitled to for debt repayment from cash flow under the business rehabilitation plan at the price of Baht 2.5452 per share. In the case that Class 5 Creditor, Class 6 Creditor, and Class 18-31 Creditor exercising the right to convert the existing debt of the creditor under the business rehabilitation plan exceeding the newly issued ordinary share which can be allotted, the allocation and sale of the Company's newly issued ordinary share shall be on a pro rata basis. However, in the case that Class 5 Creditor, Class 6 Creditor and Class 18-31 Creditor do not exercise the said right or exercise the said right not to the full amount of the remaining newly issued ordinary share, the remaining share shall be further allocated.

- (b) To allot newly issued ordinary share, not exceeding 14,862,369,633 shares with the par value of Baht 10 per share, for the debt repayment to the creditors under the business rehabilitation plan by conversion of the debt to a newly issued ordinary share under the following conditions:
- To repay the outstanding principal of Class 4 Creditor for Baht 12,827,461,287 by conversion of this debt into the newly issued ordinary share, not exceeding 5,039,896,007 shares, at Baht 2.5452 per share.
 - To repay the outstanding principal of Class 5 Creditor, Class 6 Creditor and Class 18-31 Creditor at 24.50 percent of the principal of each creditor in accordance with the Final Debt Repayment Order, by the newly issued ordinary share, not exceeding 9,822,473,626 shares, at Baht 2.5452 per share.
- (c) To allot the newly issued ordinary share, not exceeding 1,903,608,176 shares with the par value of Baht 10 per share, for support the exercise of the right to convert the suspended new interest of the Class 4 Creditor, Class 5 Creditor, Class 6 Creditor, and Class 18-31 Creditor into the newly issued ordinary share at Baht 2.5452 per share.
- (2) The Company will increase registered capital, up to Baht 98,224,736,260 by newly issue ordinary shares not exceeding 9,822,473,626 shares with the par value of Baht 10 per share, for the allocation and sale of the Company's newly issued ordinary share to the existing shareholder as per their proportion of shares at the price that the Plan Administrator consider approve. However, the price must not be lower than Baht 2.5452 per share, in order to receive no less than Baht 25,000,000,000. The allocation and sale will not be made to the shareholder who will create liability to the Company under foreign laws (Preferential Public Offering - PPO). The sale of shares must be made to the existing shareholder for the amount not lower than 228,108,476 shares for maintaining the proportion of the existing shareholder to not be lower than 10 percent of the paid registered capital after the capital restructuring. This is one of the criteria on which the Company can be traded on the stock exchange again and in accordance with the guideline for resolving the revocation of ordinary share from being registered securities in the Stock Exchange of Thailand.

In the case that no existing shareholder exercises the right to purchase the newly issue ordinary share, or the existing creditor do not purchase it in the full amount, the remaining share shall be sold to people in the following order:

1. Employee Stock Option Program (ESOP) at the time of the sale and at the same price as offered to the existing shareholder under this clause.
2. In the case that the Company's employee does not purchase the full amount of the remaining newly issued ordinary share from the allotment and sale to the existing shareholder, the remaining share shall be sold in Private Placement (PP) at the same price as offered to the existing shareholder under this clause.
3. Allotment and sale of the newly issued ordinary share to the new facility, debt-to-equity conversion, and the Preferential Public Offering (PPO) and/or Employee Stock Option Program (ESOP) and/or Private Placement (PP) must be completed by December 31, 2024.

4.1.2 Debt financing and capital mobilization, including source of funds and conditions of the debt and capital

The amendment of this part where the new facility amount is decreased to not exceeding Bath 25,000 million. The new facility will be used as working capital, costs for normal operation, capital expenditure for the Company and its subsidiaries, maintenance of the Company's assets, maintenance and development of internal management system, information technology and commercial systems, and adjustment of aircraft fleet in accordance with the market situation and airline business which may be changed. In additional, the Plan Administrator has an authority for the debt financing as it sees fits and necessary for the Company's business operation. The debt financing will be as follows:

- Long-term loan up to 6 years and/or a bond with maturity period not less than 6 years, for the amount up to Baht 12,500 million.
- Revolving facility and/or bond with maturity period less than 6 years, for the amount up to Baht 12,500 million.

4.1.3 Debt repayment of each class of the creditors

The Business Rehabilitation Plan classified creditors into 36 groups, consisting of 1 group of secured creditors and 35 groups of unsecured creditors. Each class of the creditors had different payment method, term, debt repayment period and related interest as specified in the business rehabilitation plan. Such debt may alter, depending on the Final Order for debt repayment from the Official Receiver and/or the Court (as the case may be) and the business rehabilitation plan specified the debt repayment shall be made in compliance with the Final Order of the Official Receiver, the Central Bankruptcy Court, the Court of Appeal for Specialized Case, or the Supreme Court (as the case may be).

Interest arising from loans from certain groups of creditors and debentures during the first 3 years from the date of the Court's Order approving the rehabilitation plan will be suspended (“new suspended interest”), whereby the creditor can choose to convert such new suspended interest to the Company's ordinary shares. The debt-to-equity conversion rate is at price Baht 2.5452 per share according to the conditions specified in the rehabilitation plan.

Debt Repayment Methods

- (1) Class 1 Secured Creditors (Only the creditors who has THAI's asset as a collateral under business security contract)

The amendment of this part is an adding the debt repayment means, at first the Company had to sell the collateralized aircraft in order to repay the debt only, by this amendment, the Company shall have additional right to repay the debt from cash flow which received from the business operation. This will allow the Company to return the collateralized aircraft for using in business operation, if it is appropriate and create benefit to the Company in overall.

- (2) Class 4 Loan creditors from major shareholders that are not financial institutions

The amendment of this part is a change of debt repayment methods to Class 4 Creditors from at first the repayment will be made to them by cash until the payment is made in full in the 12th year of the business rehabilitation plan, change to the repayment by means of debt-to-equity conversion of the whole principal at Baht 2.5452 per share, and the repayment will be made within the year 2024.

- (3) Class 5 Financial institution Creditors assigned to receive residual proceeds from the disposal of aircraft, Class 6 Unsecured Financial Institution Creditors, and Creditors No. 18 - 31 Bond Creditor

The amendment of this part is a change of debt repayment methods, from at first, they will be repaid by cash in full in the year 12th to 15th of the business rehabilitation plan (depending on the class of creditors), change to the repayment by methods of a conversion of the principal under the business rehabilitation plan for 24.50 percent of each creditors' outstanding debt according to the final Debt Repayment Order to a newly issued ordinary share, at Baht 2.5452 per share, and the repayment will be made within the year 2024. The remain outstanding debt will be repaid by the cash flow as specified period in the business rehabilitation plan which the Court already approved. Furthermore, the amendment stipulates that the creditors shall be entitled to an interest of the outstanding principal which will be repaid by a debt-to-equity conversion to a newly issued ordinary share, during the period that the debt-to-equity conversion has not yet been made. The interest rate will be an average of a new interest rate under the business rehabilitation plan which the Court already approved. Moreover, the amendment added a new interest rate from the outstanding principal which will be repaid by the case flow in the second half of the year 13th of the business rehabilitation plan until the payment is made in full (for Class 5 and Class 6 Creditors) and in the last two year of the maturity period of bonds under the business rehabilitation plan (for the Class 18 - 31 Creditors) by adding the interest at the rate of 0.25 percent per annum to the original rate.

(4) Class 9 Ticket refund Creditors

The amendment of this part is a detail adding on the ticket refund procedure and the refundable amount in accordance with the value recorded in the Company's system in which is an actual value that the Company earned by selling such ticket, and to be in consistent with the Company's practice in business operation. The debt repayment period remains the same as specified in the Plan which the Court already approved which are every ticket refund creditor will be repaid by March 31, 2024.

4.1.4 Business Rehabilitation Plan Completion

The rehabilitation process of the Company shall be considered as completion when archived all conditions as follows:

- (1) The Company registers the capital increase as specified conditions stated in the business rehabilitation plan.
- (2) The Company implements the business rehabilitation plan without any default.

- (3) The Company has earnings before interest, tax, depreciation, and amortization (“EBITDA”) from operation after deducting cash outflow for aircraft lease liabilities repayment under the aircraft lease agreement, not less than Baht 20,000 million for 12 months before reporting of successful outcome of the business rehabilitation plan being reported to the Court and the shareholder’s equity is positive and
- (4) The Company appoints new directors, in case there are any changes in shareholders as specified condition stated in the business rehabilitation plan.

4.2 Implementation of the business rehabilitation plan

4.2.1 Impact on the financial statements from the implementation of the business rehabilitation plan

For financial liabilities measured at amortized cost, using the effective interest method and determined whether there is material difference between pre-adjusted and post-adjusted of financial liabilities. Financial liabilities with material differences will recognize as the new financial liabilities at fair value by discount cash flow method, using market rate. Different amount between carrying amount of original financial liabilities and present value of new financial liabilities will be recognized as gain on debt restructuring in the statement of profit or loss and other comprehensive income. If such new financial liabilities do not have material difference, the Company will recognize the modified financial liabilities by discount cash flow, using original effective interest rate. The difference is recognized as gain on debt restructuring in the statement of profit or loss and other comprehensive income.

Value of assets and liabilities recorded for the three-month and nine-month period ended September 30 have been adjusted in accordance with the business rehabilitation plan as follow:

	Unit : Million Baht			
	Consolidated and Separate financial statements			
	For the three-month period end September 30,		For the nine-month period end September 30,	
	2023	2022	2023	2022
Gain on derecognition of financial liabilities measured at amortized cost	1	756	1,143 ⁽¹⁾	6,869 ⁽¹⁾
Gain (loss) from liabilities adjustment in accordance with an Order from the Official Receiver	32	6	(56) ⁽¹⁾	928 ⁽¹⁾
Loss from adjustment of assets and liabilities in accordance with the amendment lease agreement	-	(164)	-	(475) ⁽²⁾
Gain from termination of onerous contract	-	(178)	2,528 ⁽³⁾	93 ⁽³⁾
Total	33	420	3,615	7,415

- (1) As at 30 September 2023 and 2022, the Company received an Order from the Official Receiver to pay debt to certain trade payables and other payables. The Company adjusted trade payable and other payable according to principal debt, maturity date and interest rate in accordance with the business rehabilitation plan and an Order from the Official Receiver (see Note 17), resulting the Company recognized gain (loss) from liabilities adjustment in accordance with an Order from the Official Receiver in amount of Baht (56) million, and Baht 928 million, respectively.

Moreover, as at 30 September 2023 and 2022, the Company recognized gain on derecognition of financial liabilities measured at amortized cost in amount of Baht 1,143 million and Baht 6,869 million, respectively, for the substantial modification in value of liabilities as the recognition of new financial liabilities.

- (2) As at September 30, 2022, the Company adjusted the finance leases and operating leases by changing the rental rate, reference interest rate and terms and conditions for payment schedule in accordance with amendment agreement with the lessor for aircraft under finance lease 6 aircrafts and aircraft under operating lease 10 aircrafts resulted in changing in value of right-of-use assets and lease liabilities.

In addition, the Company adjusted maintenance reserve, security deposit and lease liabilities that incurred before September 14, 2020 for the aforementioned operating lease agreement and recognized loss on debt restructuring of Baht 475 million (2023 : Nil).

- (3) As at 30 September, 2023 and 2022, the Company terminated the Declaration of Onerous Contracts. The Company adjusted right-of-use, lease liabilities, payable under lease agreement and relevant expenses. As a result, the Company recognized gain from debt restructuring of Baht 2,528 million and Baht 93 million, respectively.

4.2.2 Items in progress of implementation in accordance with the business rehabilitation plan

For certain creditors such as trade and other account payables, loan creditors, shareholder creditors, aircraft lease creditors and aircraft finance lease creditors, the Company is in the debt's verification process with the Official Receiver and will be adjusted upon receiving an Order from the Official Receiver. The Company's management is in the process to consider the impact to liabilities which may be materially changed when completes the debt verification with the Official Receiver.

5. RELATED PARTIES TRANSACTIONS

Related person or related parties of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related person or related parties also include individuals owning, directly or indirectly, and interest in the voting shares of the Company, and have significant influence over the Company, key management personnel, directors, or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

In considering each possible related person or related parties, attention is directed to the substance of the relationship, not merely the legal form.

Transactions with related person or related parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

5.1 Significant related person or related parties transactions for the three-month and nine-month periods ended September 30, 2023 and 2022 are as follows:

For the three-month periods ended September 30

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2023	2022	2023	2022
Major shareholder				
Interest expense	249	204	249	204
Subsidiaries				
Sales and rendering of services	-	-	663	1,060
Purchases and services	-	-	1,294	1,080
Associates				
Purchases and services	17	-	17	4
Director and managements remuneration				
Short-term management remuneration	10	8	7	6
Directors' remuneration	4	7	4	6
Post-employment benefits	0.30	0.15	0.30	0.15

For the nine-month periods ended September 30

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	2023	2022	2023	2022
Major shareholder				
Purchases and services	2	2	2	2
Interest expense	728	592	728	592
Subsidiaries				
Sales and rendering of services	-	-	3,130	2,313
Purchases and services	-	-	3,995	2,013
Associates				
Purchases and services	114	20	114	20
Director and managements remuneration				
Short-term management remuneration	25	25	20	19
Directors' remuneration	12	20	11	18
Post-employment benefits	0.90	0.44	0.90	0.44

Management remuneration considered in accordance with the Securities and Exchange Law, whereby the executive is the managing director of the Company. The first 4 level of executives of the Company and all positions equivalent to the 4th management level, following the Company's managing director, including some executive management of Accounting or Finance.

- 5.2 Balances as at September 30, 2023 and December 31, 2022 with related parties are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Trade and other current receivables				
(see Note 7)				
Subsidiaries	-	-	11,518	11,203
Related parties	64	34	64	34
Total	<u>64</u>	<u>34</u>	<u>11,582</u>	<u>11,237</u>

Trade and other current receivables presented balances before deducted expected credit loss (see Note 7).

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Current lease receivable (see Note 7)				
Subsidiary	-	-	597	616
Total	<u>-</u>	<u>-</u>	<u>597</u>	<u>616</u>
Non-current lease receivable				
Subsidiary	-	-	5,283	6,495
Total	<u>-</u>	<u>-</u>	<u>5,283</u>	<u>6,495</u>
Trade and other current payables (see Note 17)				
Subsidiaries	-	-	277	173
Associates	11	19	11	19
Related parties	27	86	27	86
Total	<u>38</u>	<u>105</u>	<u>315</u>	<u>278</u>
Trade and other non-current payables (see Note 17)				
Associates	18	17	18	17
Related parties	922	933	922	933
Total	<u>940</u>	<u>950</u>	<u>940</u>	<u>950</u>
	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Short-term borrowings from related parties				
From domestic financial institution controlled by major shareholder	-	39	-	-
Long-term borrowings from related parties				
From foreign financial institution through major shareholder	12,361	11,722	12,361	11,722
From domestic financial institution controlled by major shareholder	12,306	12,639	12,306	12,639
Total long-term borrowings from related parties	<u>24,667</u>	<u>24,361</u>	<u>24,667</u>	<u>24,361</u>
Total	<u>24,667</u>	<u>24,400</u>	<u>24,667</u>	<u>24,361</u>

On October 20, 2022, the Central Bankruptcy Court ordered to approve the revised plan. As a result, the method of debt repayment has been changed to receive partial payment by converting principal debt into ordinary shares according to the revised business rehabilitation plan. Including changing the due date and interest rate of loans from related parties to be in accordance with the revised business rehabilitation plan (see Note 4.1.3). During the nine-month period ended September 30, 2023, the Company repaid the principal of the balance of loans from related parties of Baht 454 million and the Company has no additional borrowing from related parties.

As at September 30, 2023, the Company adjusted outstanding debt to repay of the borrowing from foreign financial institution through major shareholder and borrowing from domestic financial institution controlled by major shareholder which the Company received an Order from the Official Receiver. However, the remaining borrowings from domestic financial institution controlled by major shareholder are in the process of debt verification with the Official Receiver.

Details of long-term borrowings from related parties as at September 30, 2023 and December 31, 2022 are as follows:

	Consolidated and Separated financial statements						Unit : Million Baht
	Maturity date		Interest rate (% per annum)		Amount		
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	
Current Portion							
From domestic financial institution controlled by the major shareholder has control ⁽³⁾	-	June 15, 2023	5.75	5.75	-	454	
Non-current Liabilities							
From domestic financial institution controlled by the major shareholder has control ⁽¹⁾	December 30, 2035	December 30, 2035	1.00 - 1.50	1.00 - 1.50	10,763	10,746	
From foreign financial institution through major shareholder ⁽²⁾	December 30, 2032	December 30, 2032	1.50	1.50	12,361	11,722	
From domestic financial institution controlled by the major shareholder has control ⁽⁴⁾	December 30, 2035	December 30, 2035	1.06 - 1.50	1.06 - 1.50	1,543	1,439	
Total					<u>24,667</u>	<u>24,361</u>	

⁽¹⁾ On October 20, 2022, the Central Bankruptcy Court issued an Order to approve the revised plan, resulting the change in debt repayment method of long-term borrowing from related parties to be paid by converting certain debt into ordinary shares according to the amendment of business rehabilitation plan (see Note 4.1.3). Therefore, as at September 30, 2023, the Company adjusted the outstanding debt from certain financial institutions according to the Order from the Official Receiver and remeasure financial liabilities with effective interest rates.

⁽²⁾ Borrowings from foreign financial institution through major shareholder was the borrowing that the Ministry of Finance entered into the borrowing agreements with foreign financial institution and the Ministry of Finance had given such borrowing to the Company. On October 20, 2022, the Central Bankruptcy Court issued an Order to approve the revised plan, resulting the change in debt repayment method of such long-term loan to be paid by converting whole of debt into ordinary shares according to the amendment of business rehabilitation plan (see Note 4.1.3). Therefore, as at September 30, 2023, the Company adjusted the outstanding debt according to the Order from the Official Receiver and remeasure financial liabilities by using discounted cashflow method with market rates.

⁽³⁾ Borrowings from domestic financial institution controlled by the major shareholder was the borrowings in Yen currency, having the requirement to register the aircraft (A330-300, 2 aircrafts) as business collateral, with the total credit not exceeding of Yen 4,200 million as a repayment collateral.

On October 20, 2022, the Central Bankruptcy Court issued an Order to approve the revised plan, resulting in adding the debt repayment means. The Company have additional right to repay the debt from cashflow which received from the business operation. This will allow the Company to return the collateralized aircraft for using in business operation (see Note 4.1.3 (1)). Later, the Company paid the outstanding principal on January 4, 2023 at an interest rate 5.75 percent.

⁽⁴⁾ On October 20, 2022, the Central Bankruptcy Court issued an Order to approve the revised plan, resulting the change in debt repayment method of long-term borrowing from domestic financial institution controlled by the major shareholder to be paid by converting certain debt into ordinary shares according to the amendment of business rehabilitation plan (see Note 4.1.3 (3)). Therefore, as at September 30, 2023, the Company adjusted the outstanding debt according to the Order from the Official Receiver and remeasure financial liabilities by using discounted cashflow method with market rates.

5.3 Significant agreements with related parties

Aircraft leases

The Company entered into A320-200 aircraft sublease agreements with Thai Smile Airways Company Limited with lease period of 3 years and lease contract extension for the period 3 years, totaling 14 aircrafts, consisted of 12 aircrafts which were under operating lease agreements with monthly lease payment and 2 aircrafts which were under finance lease agreements with quarterly lease payment. As a result of sublease agreements, the Company had current lease receivables (recognized as a part of trade and other current receivables) and non-current lease receivables in the separate financial statements as at September 30, 2023 of Baht 597 million and Baht 5,283 million, respectively.

Services agreement

The Company entered into services agreement with Thai Smile Airways Company Limited for providing maintenance service and repair aircraft and aircraft's equipment which Thai Smile Airways Company Limited leased from the Company under the price and conditions stated in the agreements.

Leasing Space Agreement and license to operate business

The Company entered into leasing space agreement and license to operate business agreement with Airports of Thailand Public Company Limited under the price and conditions stated in the agreements (see Notes 11 and 26.3).

6. ADDITIONAL CASH FLOWS INFORMATION

6.1 Cash and cash equivalents

Cash and cash equivalents as at September 30, 2023 and December 31, 2022 consist of:

	Consolidated		Separate	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Cash on hand - Domestic	10	8	8	6
Cash on hand - Foreign	5	5	4	4
Cash at banks - Domestic	17,177	13,492	16,505	13,023
Cash at banks - Foreign	30,992	21,057	30,774	21,031
Bill of exchange and time deposit	5,443	-	5,443	-
Total cash and cash equivalents	53,627	34,562	52,734	34,064
Less Credit loss allowance	(33)	(22)	(33)	(22)
Total cash and cash equivalents	53,594	34,540	52,701	34,042

In addition, as at September 30, 2023, the Company has bill of exchange, time deposit and debenture with maturity more than 3 months and less than 12 months of Baht 9,793 million and Baht 9,693 million which was presented as other current financial assets in the consolidated and separate financial statement, respectively (See Note 8).

6.2 Non-cash items for the nine-month periods ended September 30, are as follows:

	Unit : Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Payable for purchase of assets	1,238	950	1,228	950
Lease payables	4,682	401	4,682	401
Classify accrued employee benefits	8	199	8	199
Offset maintenance reserves and other payable according to amendment lease agreement	-	463	-	463

6.3 Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities, including cash items and non-cash items that are classified as financing activities in the statements of cash flow, are as follows:

As at September 30, 2023	Consolidated financial statements					Balance as at September 30, 2023
	Balance as at January 1, 2023	Cash flows from financing activities	Exchange rate	Changes from non-cash items Increase	Others	
Short-term borrowings from related party	39	(39)	-	-	-	-
Long-term borrowings from financial institutions	7,718	-	-	-	504 ⁽³⁾	8,222
Long-term borrowings from related parties	24,361	(454)	-	-	760 ⁽³⁾	24,667
Lease liabilities	87,121	(6,163)	3,320	5,243	(3,481) ⁽²⁾	86,040
Debentures	42,765	-	-	-	3,039 ⁽³⁾	45,804
Total	<u>162,004</u>	<u>(6,656)</u>	<u>3,320</u>	<u>5,243</u>	<u>822</u>	<u>164,733</u>

As at September 30, 2022	Consolidated financial statements					Balance as at September 30, 2022
	Balance as at January 1, 2022	Cash flows from financing activities	Exchange rate	Changes from non-cash items Increase	Others	
Short-term borrowings from related party	-	41	-	-	-	41
Long-term borrowings from financial institutions	10,575	-	-	-	(3,660) ⁽¹⁾⁽³⁾	6,915
Long-term borrowings from related parties	18,559	-	(104)	-	638 ⁽³⁾	19,093
Lease liabilities	75,201	(888)	5,805	7,556	4,303 ⁽²⁾	91,977
Debentures	35,539	-	-	-	2,259 ⁽¹⁾⁽³⁾	37,798
Total	<u>139,874</u>	<u>(847)</u>	<u>5,701</u>	<u>7,556</u>	<u>3,540</u>	<u>155,824</u>

⁽¹⁾ Recognition of finance cost measured at amortized cost. (see Note 4.2.1)

⁽²⁾ Classification of lease liabilities payable and adjustment of other lease liabilities and termination of contract (see Note 16)

⁽³⁾ Derecognition of financial liabilities measured at amortized cost

Unit : Million Baht

As at September 30, 2023	Balance as at January 1, 2023	Cash flows from financing activities	Separate financial statements			Balance as at September 30, 2023
			Exchange rate	Increase	Others	
Long-term borrowings from financial institutions	7,718	-	-	-	504 ⁽³⁾	8,222
Long-term borrowings from related parties	24,361	(454)	-	-	760 ⁽³⁾	24,667
Lease liabilities	87,117	(6,156)	3,320	5,232	(3,482) ⁽²⁾	86,031
Debentures	42,765	-	-	-	3,039 ⁽³⁾	45,804
Total	161,961	(6,610)	3,320	5,232	821	164,724

Unit : Million Baht

As at September 30, 2022	Balance as at January 1, 2022	Cash flows from financing activities	Separate financial statements			Balance as at September 30, 2022
			Exchange rate	Increase	Others	
Long-term borrowings from financial institutions	10,575	-	-	-	(3,660) ^{(1) (3)}	6,915
Long-term borrowings from related parties	18,559	-	(104)	-	638 ⁽³⁾	19,093
Lease liabilities	75,187	(881)	5,805	7,554	4,306 ⁽²⁾	91,971
Debentures	35,539	-	-	-	2,259 ⁽¹⁾⁽³⁾	37,798
Total	139,860	(881)	5,701	7,554	3,543	155,777

⁽¹⁾ Recognition of finance cost measured at amortized cost. (see Note 4.2.1)

⁽²⁾ Classification of lease liabilities payable and adjustment of other lease liabilities and termination of contract (see Note 16)

⁽³⁾ Derecognition of financial liabilities measured at amortized cost

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at September 30, 2023 and December 31, 2022 are as follows:

	Consolidated financial statements		Unit : Million Baht Separate financial statements	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Trade receivables				
Related parties (see Note 5.2)	64	34	3,366	2,576
Other parties	12,596	11,180	11,821	10,582
Less Credit loss allowance	(1,774)	(1,555)	(4,739)	(3,825)
Total trade receivables	<u>10,886</u>	<u>9,659</u>	<u>10,448</u>	<u>9,333</u>
Other receivables				
Related parties (see Note 5.2)	-	-	8,216	8,661
Other parties	3,892	1,978	3,296	1,555
Less Credit loss allowance	(186)	(186)	(8,056)	(8,531)
Total other receivables	<u>3,706</u>	<u>1,792</u>	<u>3,456</u>	<u>1,685</u>
	<u>14,592</u>	<u>11,451</u>	<u>13,904</u>	<u>11,018</u>
Current lease receivable (see Note 5.2)	-	-	597	616
Accrued income	737	969	799	1,008
Receivable - the Revenue Department	326	207	325	207
Prepaid expenses and deposits	3,193	4,328	3,360	4,191
Total	<u>18,848</u>	<u>16,955</u>	<u>18,985</u>	<u>17,040</u>

As at September 30, 2023, the Company recognized credit loss allowance on trade and other current receivables of Baht 4,739 million and Baht 8,056 million, respectively, in the separate financial statements, because of the credit loss allowance in accordance with TFRS 9. Most of the credit loss allowance were credit loss of receivables of Thai Smile Airways Company Limited, a subsidiary, of Baht 11,017 million and other receivables of Baht 1,778 million.

Aging analysis of trade receivables are as follows:

	Consolidated financial statements		Separate financial statements	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Unit : Million Baht				
Related parties				
Within credit terms	1	3	265	236
Overdue:				
Less than 6 months	23	14	584	314
6 - 12 months	21	3	389	510
1 - 2 years	6	9	632	141
More than 2 years	13	5	1,496	1,375
	<u>64</u>	<u>34</u>	<u>3,366</u>	<u>2,576</u>
<u>Less</u> Credit loss allowance	<u>(25)</u>	<u>(13)</u>	<u>(3,062)</u>	<u>(2,321)</u>
	<u>39</u>	<u>21</u>	<u>304</u>	<u>255</u>
Other parties				
Within credit terms	8,559	6,472	7,835	5,931
Overdue:				
Less than 6 months	1,795	2,987	1,788	2,972
6 - 12 months	530	137	529	137
1 - 2 years	202	167	198	167
Over 2 years	1,510	1,417	1,471	1,375
	<u>12,596</u>	<u>11,180</u>	<u>11,821</u>	<u>10,582</u>
<u>Less</u> Credit loss allowance	<u>(1,749)</u>	<u>(1,542)</u>	<u>(1,677)</u>	<u>(1,504)</u>
	<u>10,847</u>	<u>9,638</u>	<u>10,144</u>	<u>9,078</u>
Total	<u>10,886</u>	<u>9,659</u>	<u>10,448</u>	<u>9,333</u>

8. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at September 30, 2023 and December 31, 2022 are as follows:

	Consolidated financial statements		Separate financial statements	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Unit : Million Baht				
Financial assets measured at amortized cost				
Bill of exchange with the right to be redeemed	6,095	-	6,095	-
Fixed deposits with a maturity period of more than 3 months	3,448	-	3,348	-
Debentures	250	-	250	-
Total Other current financial assets	<u>9,793</u>	<u>-</u>	<u>9,693</u>	<u>-</u>

9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Movement of non-current assets classified as held for sale for the nine-month period ended September 30, 2023 are as follows:

	Unit : Million Baht Consolidated and Separate financial statements
Net book value as at January 1, 2023	2,747
Addition - Net book value	1,406
Transfer to Non-performing assets	(244)
Disposal	(1,091)
Net book value as at September 30, 2023	<u>2,818</u>

The significant changes in non-current assets classified as held for sale during the nine-month period ended September 30, 2023 are as follows:

- During the nine-month period ended September 30, 2023, the Company has transferred 12 aircrafts (B777-200 6 aircrafts and B777-300 6 aircrafts), engine spare parts and other assets to non-current assets classified as held for sale with a net book value of Baht 1,386 million, Baht 13 million and Baht 7 million, respectively, in the consolidated and separate financial statements.
- During the nine-month period ended September 30, 2023, the Company has sold aircrafts (B747-400 4 aircrafts, B737-400 1 aircraft and A340-600 1 aircraft), engine spare parts and other assets to the buyer (Other parties) with a net book value of Baht 1,039 million, Baht 45 million and Baht 7 million, respectively, in the consolidated and separate financial statements.

10. INVESTMENTS

10.1 Investments in associates

Investments in associates which are recorded by equity method for the consolidated financial statements and cost method for the separate financial statements as at September 30, 2023 and December 31, 2022 are as follows:

	Country of incorporation	Nature of business	Percentage of shareholding (%)		Paid up capital		Consolidated financial statements Equity method		Unit : Million Baht Separate financial statements Cost method - net	
			September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
			Associates							
Donmuang International Airport Hotel Company Limited	Thailand	Hotel business	40.00	40.00	120	120	61	49	48	48
Phuket Air Catering Company Limited	Thailand	Produce food and provide products for airlines	30.00	30.00	100	100	154	143	30	30
Suvarnabhumi Airport Hotel Company Limited	Thailand	Hotel business	30.00	30.00	1,018	1,018	336	319	305	305
Total							<u>551</u>	<u>511</u>	<u>383</u>	<u>383</u>

10.2 Investments in subsidiaries

Investments in subsidiaries recorded by cost method for the separate financial statements as at September 30, 2023 and December 31, 2022 and dividend income for the nine-month periods ended September 30, 2023 and 2022 are as follows:

Subsidiaries	Unit : Million Baht												
	Separate financial statements											Dividend income For the nine-month periods ended September 30,	
	Percentage of Shareholding (%)		Paid-up capital		Cost Method		Allowance for impairment		Cost Method - net		2023		2022
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,			
Thai-Amadeus Southeast Asia Company Limited	55.00	55.00	15	15	8	8	-	-	8	8	16	43	
WingSpan Services Company Limited	49.00	49.00	2	2	1	1	-	-	1	1	-	-	
Thai Flight Training Company Limited	49.00	49.00	2	2	1	1	-	-	1	1	1	-	
Thai Smile Airways Company Limited ⁽¹⁾	100.00	100.00	1,800	1,800	1,800	1,800	(1,800)	(1,800)	-	-	-	-	
Total					<u>1,810</u>	<u>1,810</u>	<u>(1,800)</u>	<u>(1,800)</u>	<u>10</u>	<u>10</u>	<u>17</u>	<u>43</u>	

⁽¹⁾ The Company had assessed the performance of Thai Smile Airways Company Limited which continuously had accumulated loss and capital deficiency and considered the impact of the COVID-19 pandemic to airline business. The Company assessed as there had the impairment indicator in investment in Thai Smile Airways Company Limited and had the recoverable amount of such investment was less than net carrying amount. Therefore, the Company recognized an allowance for impairment of such investment of Baht 1,800 million.

11. PROPERTY PLANT AND EQUIPMENT

Movements of property, plant and equipment for the nine-month period ended September 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Net book value as at January 1, 2023	45,969	45,918
Acquisitions - at cost	4,649	4,622
Transfer from non-performing assets	17	17
Transfer to non-current assets classified as held for sale	(1,401)	(1,401)
Disposal	(34)	(34)
Depreciation for the period	(3,727)	(3,673)
Allowance for impairment	(77)	(77)
Net book value as at September 30, 2023	45,396	45,372

As at September 30, 2023, the Company had 75 aircrafts represented in the Company's fleet, which consisted of 15 own aircrafts and 60 aircrafts under lease agreements presented as right-of-use assets (see Note 12).

As at September 30, 2023, property, plant and equipment included the building on leased land which were leased from Airports of Thailand Public Company Limited at Suvarnabhumi Airport with the net book value of Baht 2,682 million, with a lease term of 30 years starting from September 28, 2006 to September 27, 2036 and will renew the contract period for 4 years from September 28, 2036 to September 27, 2040. At the end of contract, the ownership of the buildings and their component parts will be transferred to the Ministry of Finance. Moreover, the Company had building on leased land which are leased from Airports of Thailand Public Company Limited at Don Mueang Airport, which were fully depreciated. The lease agreement at Don Mueang Airport is currently under the returning some area with Airports of Thailand Public Company Limited (see Notes 5.3 and 26.3).

12. RIGHT-OF-USE ASSETS

Movements of right-of-use assets during the nine-month period ended September 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Net book value as at January 1, 2023	61,869	56,295
Increase from new contract – cost	5,434	5,423
Increase from the transfer of aircraft from a subsidiary	-	818
Decrease from termination of contract	(1,312)	(1,312)
Adjust from remeasurement of lease liabilities	1,438	1,396
Depreciation for the period	(4,495)	(3,994)
Net book value as at September 30, 2023	62,934	58,626

13. MAINTENANCE RESERVES FOR AIRCRAFT

Movements of maintenance reserves for aircraft during the nine-month period ended September 30, 2023 are as follows:

	Unit : Million Baht Consolidated and Separate financial statements
Maintenance reserves for aircraft as at January 1, 2023	14,329
<u>Add</u> Increased	778
<u>Less</u> Received	(216)
<u>Add</u> Adjusted from exchange rate	898
Maintenance reserves for aircraft as at September 30, 2023	15,789

Maintenance reserve for aircraft under lease agreement was secured for lessors as a guarantee for engine and aircraft maintenance in accordance with flight condition and maintenance schedule which can be refunded when the aircraft was overhauled according to the maintenance plan under conditions specified in the contract.

14. OTHER NON - CURRENT ASSETS

Other non-current assets as at September 30, 2023 and December 31, 2022 are as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Non-performing assets	453	231	453	231
Security deposits under aircraft lease agreements	1,730	797	1,730	798
Accrued income from passenger	496	472	496	472
Others	2,169	1,189	2,057	1,049
<u>Less</u> Credit loss allowance	(2)	(1)	(2)	(1)
Total	4,846	2,688	4,734	2,549

15. INTEREST BEARING LIABILITIES

15.1 Long-term borrowings from financial institutions

Long-term borrowings from financial institutions as at September 30, 2023 and December 31, 2022 are as follows:

Start date according to original loan agreement	Principle repayment due date	Interest rate (% per annum)	Unit : Million Baht	
			Consolidated and Separate financial statements	
			September 30, 2023	December 31, 2022
December 20, 2010	December 30, 2035	1.00 - 1.50	1,939	1,808
October 8, 2019	December 30, 2035	1.00 - 1.50	1,234	1,152
September 30, 2014 and August 27, 2018	December 30, 2035	1.00 - 1.50	735	686
July 10, 2018	December 30, 2035	1.00 - 1.50	1,593	1,486
February 26, 2020	December 30, 2035	1.00 - 1.50	2,721	2,586
Total			<u>8,222</u>	<u>7,718</u>
Principle			12,241	12,241
<u>Less</u> Deferred interest expenses			<u>(4,019)</u>	<u>(4,523)</u>
Total long-term borrowings from financial institutions			<u>8,222</u>	<u>7,718</u>

During the nine-month period ended September 30, 2023, the Company did not have additional long-term borrowings from financial institutions and did not make any repayment of principle. Moreover, the Company did not use any fixed asset or other assets as collateral.

The Company adjusted outstanding of long-term borrowings from financial institutions which the Company received an Order from the Official Receiver to pay debt to loan creditors from financial institution measured the fair value of financial liabilities by discount cash flow method using market rate. However, the remaining borrowings from financial institution are in the process of debt verification with the Official Receiver (see Note 4.1.3 (3)).

15.2 Debentures

The Company issued and offered debentures in Thai Baht to investors which debenture type was name-registered, unsubordinated and unsecured as at September 30, 2023 and December 31, 2022 are as follows:

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	September 30, 2023	December 31, 2022
Principle	71,604	71,604
<u>Less</u> deferred interest expenses	<u>(25,800)</u>	<u>(28,839)</u>
Total Debentures	<u>45,804</u>	<u>42,765</u>

On October 20, 2022, the Central Bankruptcy Court has an Order approving the request to amend the business rehabilitation plan. As a result, the debt repayment method was changed from the original to be fully paid in cash in the 12th to the 15th year of the rehabilitation plan. (different for each group) is received by debt-to-equity conversion with the principal amount according to the business rehabilitation plan at the rate of 24.50 percent of the outstanding principal debt of each creditor according to the Final Order to receive pay off debt which will be paid within the year 2024. The remaining principal debt will be repaid from cash flow within the specified period in the rehabilitation plan approved by the court as before. The debentures had maturity period from December 30, 2028 to December 30, 2036 and has set a new interest rate from the outstanding principal debt that has been paid from cash flow in the last 2 years before the maturity of the redemption under the rehabilitation plan by increasing by another 0.25 percent per year (see Note 4.1.3 (3)).

16. LEASE LIABILITIES

Movements of lease liabilities for the nine-month period ended September 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Balance as at January 1, 2023	87,121	87,117
Increase	5,243	5,232
Adjust from remeasurement lease liabilities	1,000	1,000
Adjust interest	5,628	5,628
Transfer to payable	(8,399)	(8,399)
Payment	(6,162)	(6,156)
Decrease from termination of contract	(1,711)	(1,711)
Adjust from exchange rate	3,320	3,320
Balance as at September 30, 2023	86,040	86,031

Lease liabilities as at September 30, 2023 consisted of the following:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Lease liabilities	86,040	86,031
<u>Less</u> Lease liabilities due within 1 year	(5,479)	(5,471)
Net from lease liabilities due within 1 year	80,561	80,560

17. TRADE AND OTHER PAYABLES

Trade and other payable as at September 30, 2023 and December 31, 2022 are as follows:

	Consolidated		Unit : Million Baht	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Current				
Trade payables				
Related parties (see Note 5.2)	38	105	315	278
Other parties	3,448	4,605	3,179	4,461
Total trade payables	3,486	4,710	3,494	4,739
Other payables				
Airport fees payables	5,563	4,716	5,563	4,716
Other parties	10,675	7,798	9,881	7,111
Total other payables	16,238	12,514	15,444	11,827
Accrued expenses	8,978	5,712	7,389	4,642
Accrued interest expenses	791	747	791	747
Accrued flight service expenses	3,897	1,325	3,838	1,164
Accrued employee benefits (see Note 18)	8	29	8	29
Total current portion	33,398	25,037	30,964	23,148
Non-current				
Trade payables				
Related parties (see Note 5.2)	940	950	940	950
Other parties	10,926	10,605	10,926	10,605
Other payables - other parties	4,259	2,242	4,259	2,242
Total non-current portion	16,125	13,797	16,125	13,797
Total trade and other payables	49,523	38,834	47,089	36,945
Trade and other non-current payables				
Trade payables				
Related parties				
Principle	956	955	956	955
Less deferred interest expenses	(16)	(5)	(16)	(5)
Total trade payables - related parties	940	950	940	950
Others				
Principle	13,689	12,912	13,689	12,912
Less deferred interest expenses	(2,763)	(2,307)	(2,763)	(2,307)
Total trade payables - others	10,926	10,605	10,926	10,605
Other payables				
Other payables – others				
Principle	7,111	2,412	7,111	2,412
Less deferred interest expenses	(2,852)	(170)	(2,852)	(170)
Total other payables - others	4,259	2,242	4,259	2,242
Total trade and other non-current payables	16,125	13,797	16,125	13,797

During the period ended September 30, 2023, the Company received an Additional Order from the Official Receiver to pay debt to certain trade and other payables. The Company adjusted trade and other payables to be in accordance with the debt amount, due date and interest rate according to the rehabilitation plan and Order from the Official Receiver, which will settle the first installment period on June 30, 2024. Therefore, liabilities were adjusted and classified as non-current trade and other payables. The Company had an impact from the adjustment of trade and other payables for the nine-month period ended September 30, 2023 to be in accordance with the debt balance of Baht 56 million (see Note 4.2.1 (1)).

18. STAFF PENSION FUND

The Company has established pension fund of Thai Airways International Public Company Limited's staff. The Company contributed to the fund at a rate of 10 percent of employee salaries. The fund's assets, liabilities and fund balance are presented in the Company's statements of financial position. Interest and expenses arising from fund operations are recognized as income and expenses of the Company. The details are as follows:

	Unit : Million Baht	
	Consolidated and Separate financial statements	
	September 30, 2023	December 31, 2022
Cash at bank		
(Presented as other non-current financial assets)	95	70
Receivable - Bank		
(Presented as other non-current financial assets)	745	804
Other current assets	71	62
Total Assets	911	936
Other current liabilities		
Accrued payment for staff termination	8	4
Staff pension fund	903	932
Total Liabilities	911	936

As at September 30, 2023, staff pension fund had remaining balances of Baht 903 million which equaled to the Company's obligations to employees.

During the nine-month period ended September 30, 2023, the Company paid for retired staff and paid for the staff who joined the early retirement program (MSP-C special and MSP-D3 Extend) in the amount of Baht 85 million and recognized pension expense in the amount of Baht 59 million.

As at September 30, 2023, the Company had accrued payment for staff leaving from provident fund in the amount of Baht 8 million, presented as trade and other current payables (see Note 17).

As at September 30, 2023, the balance of net pension receivable - THAI in amount of Baht 745 million was resulted of the bank deposit of pension had temporarily seized by the bank in amount of Baht 2,331 million and adjusted interest of bank deposit in amount of Baht 5 million, totaling of Baht 2,336 million. The amount was net of the bank deposit which the Company had contributed in excess of Baht 210 million. As a result, the pension fund could not pay the employee. Therefore, the Company had to reserve funds to pay the employee who retired under the early retirement program and terminated from the fund in amount of Baht 1,381 million.

19. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movements of non-current provisions for employee benefits for the nine-month period ended September 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Non-current for provisions employee benefits at the beginning period	4,496	4,415
Addition for transfer of employees from a subsidiary	-	11
Current service costs	149	137
Interest costs	85	84
Benefit paid	(146)	(144)
Non-current for provisions employee benefits at the ending period	4,584	4,503

20. OTHER NON-CURRENT PROVISIONS

Movements of other non-current provisions during the nine-month period ended September 30, 2023 are as follows:

	Consolidated financial statements	Unit : Million Baht Separate financial statements
Other non-current provisions at the beginning period	26,777	19,849
Movement during the period	1,514	875
Increased from the transfer of aircraft from a subsidiary	-	2,120
Adjust foreign exchange rate	954	954
Other non-current provisions at the ending period	29,245	23,798

Other non-current provisions consist of long-term provision for repair and maintenance of aircraft, maintenance reserve for aircraft overhaul, aircraft's engines and others component of aircraft which has to pay maintenance in the future in accordance with the agreement. The Company has obligation under operating lease of aircraft maintenance, aircraft's engines and other components maintenance over the lease period including preparation of aircraft conditions before handover to lessors at the end of the lease. The Company shall estimate expected maintenance expenses upon flight hour, flight cycle, overhaul period, and lease period which were calculated along with usage time proportion.

During the nine-month period ended September 30, 2023, the Company recognized provisions for other non-current liabilities from the transfer of six aircrafts from a subsidiary (A320-200) as aircraft repair and maintenance costs of Baht 2,120 million in the separate financial statements. (2022 : None)

21. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue

The Group disaggregate revenue from sales and services with customers for overtime and at the point of time by segment related to segment information disclosure in accordance with Thai Financial Reporting Standards No. 8 “Operating Segment” (see Note 23).

Revenue from sales and services for the three-month and nine-month periods ended September 30, were classified revenue by timing of revenue recognition and type of goods and services as follows:

	Consolidated financial statements For the three-month Periods ended September 30,		Unit : Million Baht Separate financial statements For the three-month Periods ended September 30,	
	2023	2022	2023	2022
Timing of revenue recognition				
Revenue recognize by point in time				
Business unit				
Revenue from business units	1,390	1,007	1,550	1,414
Others				
Revenue from other activities	57	58	-	-
Revenue recognize over time				
Air freight				
Revenue from passenger and excess baggage	30,921	24,463	28,599	21,950
Revenue from freight	3,461	6,427	3,461	6,413
Business unit				
Revenue from cargo warehouse services	578	659	578	659
Revenue from aircraft repair and maintenance services	68	137	87	158
Total	36,475	32,751	34,275	30,594
	Consolidated financial statements For the nine-month Periods ended September 30,		Unit : Million Baht Separate financial statements For the nine-month Periods ended September 30,	
	2023	2022	2023	2022
Timing of revenue recognition				
Revenue recognize by point in time				
Business unit				
Revenue from business units	3,775	2,210	4,921	3,152
Others				
Revenue from other activities	196	157	-	-
Revenue recognize over time				
Air freight				
Revenue from passenger and excess baggage	97,024	41,700	88,903	35,967
Revenue from freight	11,657	18,062	11,661	18,021
Business unit				
Revenue from cargo warehouse services	1,787	2,119	1,787	2,119
Revenue from aircraft repair and maintenance services	237	324	319	388
Total	114,676	64,572	107,591	59,647

22. GAIN ON SALE OF INVESTMENTS AND OTHER INCOME

22.1 Gain on sale of investments

During the nine-month period ended September 30, 2023, the Company sold investment in Fuel Pipe Line Transportation Company Limited by 1,868 shares at Baht 7.5 per shares, in amount of Baht 14,010 and recognized gain on sale of investments in amount of Baht 2,510 in the consolidated and separate financial statements.

During the nine-month period ended September 30, 2022, the Company sold investment in Bangkok Aviation Fuel Services Public Company Limited by 8.91 million shares at Baht 28.00 - 28.75 per share, in amount of Baht 246 million and recognized gain on sale of investments in amount of Baht 16 million in the consolidated and separate financial statements.

22.2 Other income

Other income for the three-month period ended September 30, consist of :

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Gain from sale of assets	157	107	157	107
Others	114	104	141	75
Total	<u>271</u>	<u>211</u>	<u>298</u>	<u>182</u>

Other income for the nine-month period ended September 30, consist of :

	Consolidated		Unit : Million Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Gain from sale of assets	523	723	523	723
Others	408	353	340	323
Total	<u>931</u>	<u>1,076</u>	<u>863</u>	<u>1,046</u>

23. OPERATING SEGMENT

Factors used to identify the reportable segments

The Company determines reportable segments based on the nature of the products and services provided, which the management has considered the organization structure in relation to commercial airline operation.

The Company has 3 reportable segments, consists of:

- (1) Air transportation activities segment composed of passenger, freight, and mail services.
- (2) The business units segments related directly to transportation activities, which include cargo and mail commercial, ground customer services, ground support equipment services, and catering services.
- (3) Other activities segment are transportation supporting activities, which include flight management services, sale of duty-free goods, sale of souvenir products from maintenance division and operation of subsidiaries.

Measurement Criteria

The Company records revenue transfer between segments with sale prices charged to the unaffiliated customers net of discount. For ground customer services segment recorded at cost net of discount. For other activities, segment recorded mutual agreements. Those transferred transaction will be eliminated in the consolidated financial statements.

Total gain (loss) before income tax by segments was derived from revenue net of costs and operating expenses.

Segment assets are the assets used for the operation or related to such activities.

Segment liabilities are the liabilities used for the operation or related to such activities.

23.1 Financial Information by Segments

The operating segments are classified in the consolidated financial statements for the three-month and nine-month periods ended September 30, consist of the following:

For the three-month period ended September 30,

	Consolidated financial statements						Unit : Million Baht	
	Air Transportation		Business Units		Other Activities		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
External Revenue (see Note 21)	34,203	30,462	1,762	1,547	510	742	36,475	32,751
Inter - segment revenue (expenses)	(1,679)	(1,376)	1,218	971	461	405	-	-
Interest income	419	4	-	-	-	1	419	5
Other income	237	205	32	3	2	3	271	211
Gain on debt restructuring	33	420	-	-	-	-	33	420
Total Revenue	33,213	29,715	3,012	2,521	973	1,151	37,198	33,387
Aircraft fuel expenses	(11,995)	(12,871)	-	-	-	-	(11,995)	(12,871)
Employee benefits expenses	(1,464)	(1,024)	(764)	(591)	(310)	(266)	(2,538)	(1,881)
Flight service expenses	(3,486)	(2,635)	-	(3)	-	-	(3,486)	(2,638)
Depreciation and amortization expenses	(2,706)	(2,020)	(157)	(150)	(94)	(166)	(2,957)	(2,336)
Impairment loss on rotatable aircraft's spare part	(11)	(4)	-	-	-	-	(11)	(4)
Other expenses	(7,224)	(8,204)	(1,188)	(740)	(516)	(217)	(8,928)	(9,161)
Gain (loss) from foreign exchange rate	(2,308)	(5,801)	-	-	-	3	(2,308)	(5,798)
Finance costs	(3,722)	(3,671)	-	-	-	(1)	(3,722)	(3,672)
Share of gain on investment in associates	12	10	-	-	-	-	12	10
Total Expenses	(32,904)	(36,220)	(2,109)	(1,484)	(920)	(647)	(35,933)	(38,351)
Profit (loss) before income tax expenses	309	(6,505)	903	1,037	53	504	1,265	(4,964)
Income tax income (expenses)	286	189	-	-	(5)	(5)	281	184
Profit (loss) by segments	595	(6,316)	903	1,037	48	499	1,546	(4,780)

For the nine-month period ended September 30,

Unit : Million Baht

	Consolidated financial statements							
	Air Transportation		Business Units		Other Activities		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
External Revenue (see Note 21)	107,453	58,756	5,287	4,273	1,936	1,543	114,676	64,572
Inter - segment revenue (expenses)	(4,911)	(3,077)	3,679	2,041	1,232	1,036	-	-
Interest income	812	13	-	-	1	1	813	14
Other income	849	1,059	76	23	6	10	931	1,092
Gain from debt restructuring	3,615	7,415	-	-	-	-	3,615	7,415
Total Revenue	107,818	64,166	9,042	6,337	3,175	2,590	120,035	73,093
Aircraft fuel expenses	(34,291)	(26,064)	-	-	-	-	(34,291)	(26,064)
Employee benefits expenses	(4,272)	(2,527)	(2,165)	(1,767)	(971)	(831)	(7,408)	(5,125)
Flight service expenses	(10,047)	(6,005)	(4)	(10)	-	-	(10,051)	(6,015)
Depreciation and amortization expenses	(7,305)	(6,301)	(502)	(497)	(453)	(505)	(8,260)	(7,303)
Impairment loss on rotatable aircraft's spare part	(77)	(12)	-	-	-	-	(77)	(12)
Other expenses	(23,271)	(19,296)	(3,483)	(1,595)	(772)	(368)	(27,526)	(21,259)
Gain (loss) from foreign exchange rate	(5,524)	(8,746)	-	-	2	2	(5,522)	(8,744)
Finance costs	(11,237)	(9,264)	-	-	-	(1)	(11,237)	(9,265)
Share of gain (loss) on investment in associates	40	(7)	-	-	-	-	40	(7)
Total Expenses	(95,984)	(78,222)	(6,154)	(3,869)	(2,194)	(1,703)	(104,332)	(83,794)
Profit (loss) before income tax expenses	11,834	(14,056)	2,888	2,468	981	887	15,703	(10,701)
Income tax income (expenses)	655	(525)	-	-	(16)	(11)	639	(536)
Profit (loss) by segments	12,489	(14,581)	2,888	2,468	965	876	16,342	(11,237)

As at September 30, 2023 and December 31, 2022 assets and liabilities of the Group are classified by segment consisted of the following:

Unit : Million Baht

	Consolidated financial statements							
	Air Transportation		Business Units		Other Activities		Total	
	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,	September 30,	December 31,
	2023	2022	2023	2022	2023	2022	2023	2022
Current assets	86,999	55,642	636	598	723	817	88,358	57,057
Investments in associates	551	511	-	-	-	-	551	511
Property, plant and equipment	38,935	39,120	5,046	5,239	1,415	1,610	45,396	45,969
Right-of-use assets	59,421	58,262	2,700	2,757	813	850	62,934	61,869
Other non-current assets	34,219	30,011	1	-	13	14	34,233	30,025
Non-allocated assets	2,818	2,747					2,818	2,747
Total assets							<u>234,290</u>	<u>198,178</u>
Current liabilities	72,629	56,843	554	349	978	516	74,161	57,708
Non-current liabilities	210,090	205,517	-	-	35	29	210,125	205,546
Non-allocated liabilities	4,710	5,949					4,710	5,949
Total Liabilities							<u>288,996</u>	<u>269,203</u>

23.2 Revenues by Geographical Segment

Operating segments classified by geographical in the consolidated financial statements for the three-month and nine-month periods ended September 30, are as follows:

Unit: Million Baht

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended September 30		ended September 30	
	2023	2022	2023	2022
Domestic Revenues				
Air Transportation	2,516	2,160	7,316	4,209
Business Units	1,762	1,547	5,287	4,273
Other Activities	510	742	1,936	1,543
Foreign Revenues				
Air Transportation				
Asia	15,462	12,473	51,296	24,400
Europe	13,016	12,922	38,945	24,536
Australia and New Zealand	3,209	2,907	9,896	5,611
Total Revenues	<u>36,475</u>	<u>32,751</u>	<u>114,676</u>	<u>64,572</u>

24. DISCLOSURE OF FINANCIAL INSTRUMENTS

24.1 Financial risk management objectives

The Group's Corporate financial risk management is under policy framework and management framework of risk management committee. The risk management committee is responsible for supervising monitoring and managing financial risk relating to the Group's operations through internal risk report which analyze from level and size of risk. These risks included market risk as well as currency risk, interest rate risk, fuel price risk, credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge these risk exposures. The using of derivatives financial instrument is governed by the risk management committees' policy and framework. However, as at September 30, 2023, the Company did not have derivatives financial instrument transaction because the Company had entered the business rehabilitation process. Therefore, the Company has not entered into an additional contract.

24.2 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and fuel price. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, foreign currency and fuel price risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk;
- interest rate swaps to mitigate the risk of rising interest rates;
- commodity option to mitigate the fuel price risk of purchase or sale inventory

24.2.1 Foreign Currency Exchange Rate Risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

As the Company generates revenue in THB and foreign currency by more than 50 currencies, which are mainly in USD, THB, EUR and JPY and the major expenses are in currencies USD and THB while having long-term liabilities mainly in 4 major currencies as USD, EUR, THB and JPY.

The Company has managed the risk of exchange rates fluctuations which is uncontrolled factors by using "Matching Currency" strategy to manage this risk by matching currency between the expense and revenue and arranging for loan and restructure loan to coincide with net operating cash flow at the same time, together with the reduction of foreign currency debt risk by entering into Thai Baht loan in order to decrease the fluctuation of gain or loss from foreign exchange in the financial statements. In addition, the Company managed source of fund and has a policy to enter into Cross Currency Swap (CCS) when the financial market is favorable to the Company and forward contracts to hedge the future obligation that has underlying exposures.

As at September 30, 2023, the Company did not have CCS transaction and forward contracts because the Company had entered the business rehabilitation process. Therefore, the Company has not entered into an additional contract.

24.2.2 Interest rate risk management

The Company is exposed to interest rate risk from borrowing and finance lease payable at both fixed and floating interest rates. The risk is managed by the maintaining an appropriate mix between fixed and floating rate borrowings and lease payable by the using of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite to ensure the most cost-effective hedging strategies are applied.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated from agreed notional principal amounts. Such contracts are enabling the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract. However, as at September 30, 2023, the Company did not have any interest rate swap contract transaction because the Company had entered the business rehabilitation process. Therefore, the Company has not entered into an additional contract.

24.2.3 Fuel price risk

Fuel price risk in the Company primarily arises from price fluctuation and availability of jet fuel. Fuel price fluctuation depends on demand and supply of global economic situation and uncertainty political worldwide, which has direct impact on the Company's operating result as fuel is the important factor in the aviation industry. The Company has made jet fuel price hedging policy in order to reduce the risk of fuel price volatility, to meet the Company's operating result target and protect the value of the Company for shareholders and all stakeholders which did not intend to make income and profit from the fuel price hedging.

The Company has continuously and systematically managed the jet fuel price risk, by set the fuel price risk policy, implementing jet fuel price hedging at not lower than 20% and not more than 80% of annual fuel consumption. Whereby the budget and tenor of each contract would be for a period of not more than 24 months. The Company specified the lowest and highest prices of jet fuel. The Company will obligate in USD if the price of jet fuel falls below the lowest price. On the contrary, the Company will be compensated in USD if the price of jet fuel rises higher than the highest price.

At present, the Company has charged compensation for fuel expense in excess of the base fuel price in ticket through the fuel surcharge by being able to calculate the appropriate fee rate with market conditions, competition, fuel price volatility, market response and change in estimate fuel expense. For nine-month period ended September 30, 2023, as resulting of collecting fuel surcharge fees can be collected according to the Company's operating result target.

The Company does not have necessary for any derivative transactions for additional hedge fuel price. However, the Company regularly continues assessing its hedging activities in order to prepare derivative transaction for hedge fuel price that is suitable for the Company's circumstance and aviation industry which is recovering in the future.

24.3 Credit risk management

Note 7 details that the Group's maximum exposure to credit risk and the measurement bases used to determine expected loss allowance.

The Group exposures to credit risk which related to trade and other receivables. The management has adopted a policy and appropriated control risk, therefore the Group does not expect to any significant losses from credit granting. Moreover, the Group's credit granting is not concentrated because the Group has large and diverse customer base, the maximum amount which the Group may incur on credit granting is the book value of trade and other receivables as shown in the statement of financial position.

24.4 Liquidity and interest risk management

Ultimate responsibility for liquidity risk management and the payment period are in accordance with the Plan Administrator, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding including financial liabilities which are not derivatives. The framework of risk management is within the business rehabilitation plan, as described in Note 4.

24.5 Classes and categories of financial instruments and their fair values

The following table presents the fair values of financial assets, including the fair values hierarchy for financial assets recognized at fair value as at September 30, 2023 and December 31, 2022.

	Level of Fair value	Consolidated financial statements		Unit : Million Baht Separate financial statements	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
		Financial assets measured at fair value through profit or loss			
Other non-current financial assets					
Investment in debt securities	Level 2	54	51	54	51
Investment in funds	Level 2	1	1	1	1
Investment in market equity securities	Level 1	361	413	361	413
Investment in non-market equity securities	Level 3	312	312	312	312
Financial assets measured at fair value through other comprehensive income					
Other non-current financial assets					
Investment in non-market equity securities	Level 3	45	58	19	30

Financial instruments measured at fair value

The following table disclose valuation technique using in fair value measurement.

Types	Valuation techniques
Debt securities	The fair value of investments in debt instruments measured at fair value through profit or loss is calculated by using valuation techniques via obtaining the observable market data and converting discounted cash flows to present values.
Investments in funds	The fair value of investments in marketable investment units that are measured at fair value through profit or loss is calculated by using the net asset value as of the reporting date.
Marketable equity securities	The fair value of investments in equity instrument measured at fair value through profit or loss is calculated by using the recent buying price referred from the Stock Exchange of Thailand as of the reporting date.
Non-marketable equity securities	The fair value of investments in equity instrument measured at fair value through profit or loss by estimated the present value of the expected cash flows discounted by relevant interest rate and risks. The fair value of investments in equity instrument measured at fair value through other comprehensive income is calculated by using the net asset value as of the reporting date.

During the nine-month period ended September 30, 2023, the Company did not transfer financial instruments between the fair value hierarchy.

As at September 30, 2023 and December 31, 2022, the book value of cash and cash equivalents, other current financial assets, trade receivables, other receivables, their carrying amounts approximate their fair value because of short-term maturity.

25. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has contingent liabilities arising from commitments which have not been recognized in the financial statements as at September 30, 2023 and December 31, 2022 as follows:

25.1 Bank Guarantee

The Company has bank guarantees issued by domestic and foreign banks as follows:

	Unit : Million (Currency)	
	Consolidated and Separate	
	financial statements	
	September 30,	December 31,
	2023	2022
Bank Guarantee		
Issued by domestic banks		
THB Currency	98	212
Issued by foreign banks		
USD Currency	14	14
BDT Currency	-	10
AUD Currency	1	1
INR Currency	333	123
AED Currency	1	1
HKD Currency	3	-

If the Company defaults on an obligation to a beneficiary in letter of guarantee, the bank agrees to pay a specific amount to that beneficiary and will claim from the Company later.

25.2 Commitment

As of September 30, 2023, the Company is obligated to pay in the future according to the lease agreement of aircrafts which is pending for delivery in amount of USD 1,356 million.

26. DISPUTES AND SIGNIFICANT LITIGATION

26.1 Labor disputes and damages claim

The Company has been filed as defendant in domestic and foreign labor disputes for 3 cases with claim amount of Baht 24 million and the complaints in domestic and foreign for 59 cases with claim amount of Baht 350 million.

26.2 Tax dispute

26.2.1 The Company, as an entrepreneur in the Duty free zone, has received a letter from the Customs Department No. Gor Kor 0503(4)/621 dated August 28, 2017, requested the Company to clarify the completeness of the certificate license of the import food for restricted products. The customs official has assessed additional taxes and duties according to 252 import entry declarations, which consisted of price of products in amount of Baht 492.73 million, import duty in amount of Baht 244.36 million, excise tax in amount of Baht 754.47 million, interior tax in amount of Baht 75.45 million, value added tax in amount of Baht 109.69 million, the subsidies for Thai Health Promotion Foundation in amount of Baht 14.91 million, and the subsidies for Thai Public Broadcasting Service in amount of Baht 11.18 million. The Company has submitted the letter of clarification to the Customs Department for consideration. In this regard, the Company has consultation letter on legal matters in relation to the importation of a group of products under the import control of food, fruit juice and other imports into the free zone of Thai Airways Catering, in the case of compliance with Section 152 of the Customs Act, B.E. 2560 to the Director-General of the Customs Department for consideration.

At present, it is in the process of investigating and considering an information of importing food into the Kingdom and import permission to consider the case of the Customs Department Including finding ways to settle such disputes further.

26.2.2 The Panohm Penh branch in Kingdom of Cambodia had been assessed additional taxes from the Cambodia Revenue Department, related to the difference in interpretations of tax law.

During the years 2019-2022, the Company received the tax assessment notifications for the years 2017-2020, consisted of 3 types of tax, which were corporate income tax, special business tax and withholding tax. The total additional assessed taxes, including fine and interest were Cambodian Riel 35,623 million.

The Company had filed such disputes with the above assessment through a tax advisor. The Company had issued a letter for requesting to extend the tax audit for the years 2017 to 2020 due to the impact of the situation of COVID-19 and the Company was under the process of rehabilitation plan. It is currently under consideration by the Cambodia Revenue Department. The tax payment as assessed depended on the negotiation with the Cambodia Revenue Department based on the fact, laws and supporting documents. The mentioned disputes are in negotiation process.

26.3 Rental agreement and license to operate business agreement at Don Mueang international Airport

The Company had rental agreement and license to operate business agreement with Airports of Thailand Public Company Limited (“AOT”), with agreement No. 3-08/2552 dated December 14, 2010, the duration of the contract was 3 years period from September 28, 2009 to September 27, 2012. After September 27, 2012, the Company was out of the permission for renting and operating business at Don Mueang International Airport. The Company has continued to pay rental fee and concession fee based on the original agreement. However, AOT will reserve the rights to increase the minimum rental fee and concession fee, if the result of increment of the minimum rental fee and concession fee is final and the rate is higher than the rate specified in the original agreement or the notification letter of AOT that announced the extension of the agreement.

Later, creditors have submitted the rental agreement which occurred as at September 14, 2020, to receive repayment to the Official Receiver in the business rehabilitation process. The debt value is currently under investigation by the Official Receiver to determine the creditors' rights to be paid in the business rehabilitation process. The obligations in the period which occur after September 14, 2020, as well as the criteria, conditions and the rental rate and benefits of being certified to operate the business, which will be defined in the new contract, have been negotiating for mutual conclusion.

26.4 Tort case under unfair trade protection laws (Antitrust cases)

On December 24, 2013, a group of plaintiffs had filed a lawsuit against British Airways, Deutsche Lufthansa and Lufthansa Cargo A.G. (collectively called “Lufthansa”), and Koninklijke Luchtvaart Maatschappij N.V., Martin Air Holland N.V., and Societe Air France S.A. (collectively called “KLM-AF”), which are the defendants in the Cargo Civil Class Action case in the Netherlands, which they have submitted the requested to exercise the right of recourse to the Company.

On November 6, 2015, a new group of plaintiffs had filed a lawsuit against British Airways, Lufthansa, KLM-AF and Singapore Airlines as defendants.

Later on December 2016 to January 2017, the Company and 20 other airlines had received a writ of summons for contribution claim from British Airways, Lufthansa and KLM-AF.

Subsequently, British Airways, Lufthansa and Swiss International, KLM-AF, Korean Airlines and Qantas Airways, which were the parties in the Contribution Claim Case, had submitted a writ of summons to exercise the contribution claim in addition to the Contribution Claim Case above (known as Sub contribution claim), and the Company then submitted a writ of summons to exercise the contribution claim in the form of this sub Contribution Claim against all airlines as well in order to reserve the Company’s right for the purpose of reserving the right in the event which the court orders each airline to pay for the damages exceeding its market share. This was not a lawsuit to demand for additional damages.

On June 22, 2020, Freshfields Law Firm reported that Cargo Civil Case was pending on review of the Amsterdam District Court.

1. On March 10, 2020, the Appeal Court decided that the transfer of claims to Stichting Cartel Compensation (“SCC”) had completed.
2. On June 9, 2020, the Court held a major hearing at the Stichting Cartel Compensation (“SCC”) Group 1 (“SCC I”) and Group 2 (“SCC II”) against Singapore Airlines, British Airways, Lufthansa and KLM-AF, which were the defendants which were the parties in Contribution Claim. The result of the court hearing allowed the defendant to review the information and submit a complaint about the SCC's claims by December 6, 2020. The court required all economic experts to agree on how to calculate overcharge and share data.

For the case that the Company was the defendant had been suspended for the outcome of the main case. The law firm assessed that the Company should consider the possibility of the compromise negotiation between the defendant of the main case since the Company was only the carrier according to the price agreement, which the Company had low market share in such routes.

As at September 30, 2023, the management of the Company considered such disputes and litigation as described in Notes 26.1 to 26.4 based on the facts and the laws that the impacts of such matters will not significantly affect to the financial statements.

27. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

This interim financial information were approved by the Plan Administrator of the Company on November 9, 2023.