

(Translation)

TG 07/120

December 28, 2015

Subject Notification of Change in Accounting Policy

To President of the Stock Exchange of Thailand

According to Thai Accounting Standard No.16 (Revised 2015), subject of “Property, Plant and Equipment” which permits two accounting basis for measurement of the asset in the period subsequent to its recognition, namely the cost basis and the revaluation basis whose fair value can be measured reliably. Under the revaluation basis, revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from its fair value at the end of the reporting period. The frequency of revaluation depends upon the changes in the fair values of the assets.

Subsequently, Thai Airways International Public Company Limited (the “Company”) convened the Board of Directors’ Meeting No.13/2015 on 28 December 2015. The Board of Directors considered that the Company has its own land both domestically and abroad, which was acquired for such a long time using the cost basis for measurement of those land which do not reflect the present fair value of the land. Therefore, the Board of Directors resolved to approve the Company for the change in accounting policy regarding the valuation of the land from cost basis to revaluation basis, starting from accounting period year 2015 onward. The revaluation shall be made every five years or shall be considered if there are any changes that affect the fair value of land significantly. The Company obtained the professional appraisal qualified by the Securities and Exchange Commission, Thailand (S.E.C.).

The change in the aforementioned accounting policy will result in an increase in assets, liabilities and equity of the Company’s financial position as at 31 December 2015 as follows:

Unit: Million Baht

Impacted Items	Estimated as at 31 December 2015		
	Cost Basis (Before Change)	Revaluation Basis (After Change)	Increase (Decrease)
Assets			
- Revalue of fixed assets	936	9,590	8,654
Liabilities			
- Deferred tax liabilities	-	1,731	1,731
Equity			
- Revaluation surplus	-	6,923	6,923

Please be informed accordingly.

Yours faithfully,

Mr. Narongchai Wongthanavimok
Executive Vice President
Finance and Accounting Department

Comptroller Department
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