

## **T R A N S L A T I O N**

### **Annual General Meeting of Shareholders 2017 Bangkok Airways Public Company Limited**

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#### **Date, Time and Place**

The 2017 Annual General Meeting of Shareholders of Bangkok Airways Public Company Limited (the “**Company**”) was held on 18 April 2017 at 14.00 hours, at Miracle Grand Convention Hotel, No. 99 Kamphaeng Phet 6 Road, Talad Bangkhen, Laksi, Bangkok.

#### **Preliminaries**

Air Chief Marshal Kaset Rochananil, Chairman of the meeting, (Chairman) thanked shareholders who spared the time to attend the meeting and authorized Khun Pradit Theekakul, Director and Executive Officer (Khun Pradit) to conduct the meeting on his behalf.

Khun Pradit informed the meeting that the Company has a registered and paid up capital of 2,100 million Baht, divided into 2,100 m common shares, par value at 1 Baht per share. Record Date has been established to determine shareholders who are eligible to attend Annual General Meeting (AGM) of shareholders 2017 on 9 March 2017 and compiled a list in accordance to Article 225 of Securities and Exchange Act BE 2535 (1992) (amended) by closure of registration book on 10 March 2017.

To constitute a quorum pursuant to the Company’s Articles of Association no less than 25 shareholders and shareholders represented by proxy must be present at the meeting, or not less than 50% of total shareholders holding one third of total issued shares. On the day of the meeting 220 shareholders were present in person, representing 22,213,011 shares, and 651 shareholders attended by proxy, representing 1,645,502,215 shares. Total number of participants to the meeting = 871, representing a total of 1,667,715,226 shares or equivalent to 79.415% of total issued shares which constituted a quorum pursuant to the law and the No. 2 of the Company’s Articles of Association – that no less than 25 shareholders and shareholders

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represented by proxy must be present in the meeting or not less than 50% of total shareholders holding no less than one third of total issued shares.

Khun Pradit then introduced Directors, Executive Officers and advisors present at the meeting.

**Directors present**

1	Air Chief Marshal Kaset	Rochananil	Chairman
2	Khun Prasert	Prasarttong-Osoth	Vice Chairman/ Chief Executive Officer
3	General Vichit	Yathip	Independent Director / Audit Committee / Chairman of Nomination and Remuneration Committee
4	Khun Sripop	Sarasas	Independent Director/ Chairman of the Audit Committee / Nomination and Remuneration Committee
5	Khun Somboon	Kitiyansub	Independent Director / Chairman of the Corporate Governance Committee / Nomination and Remuneration Committee
6	Khun Puttipong	Prasarttong-Osoth	Director/ Executive Officer/ President
7	Khun Saharatna	Benyakul	Independent Director/ Audit Committee/ Corporate Governance Committee
8	Khun Ariya	Prasarttong-Osoth	Director / Corporate Governance Committee
9	Police Major General Visanu	Prasarttong-Osoth	Director
10	Khun Narumon	Noi – am	Director
11	Khun Pradit	Theekakul	Director/Executive Officer
12	Khun Anawat	Leelawatwatana	Director/Executive Officer

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### **Executive Officers present**

- |                  |             |  |
|------------------|-------------|--|
| 1. Khun Tresarun | Sitakalin   | Company Secretary                              |
| 2. Khun Weerawan | Boonsom     | Director – General Accounting                  |
| 3. Khun Kasama   | Thassanasri | Director – Network Planning and Route Research |

### **Auditors from EY Office Limited**

- |                   |              |         |
|-------------------|--------------|---------|
| 1. Khun Rungnapa  | Lerssuwankul | Auditor |
| 2. Khun Panyaporn | Waitayangkul | Auditor |
| 3. Khun Issara    | Petchmeun    | Auditor |

### **Legal Advisor from Veerawong, Shinawatana and Partners Company Limited**

- |                |          |               |
|----------------|----------|---------------|
| 1. Khun Sawita | Peetawan | Legal Advisor |
|----------------|----------|---------------|

Khun Pradit asked Khun Tresarun, Company Secretary, to explain about voting, vote counting procedures including procedures for posting inquiries and expressing opinion as follows:

Khun Tresarun Sitakalin, Company Secretary added that for this AGM the Company provided an opportunity for shareholders to propose subjects to be included in the agenda and also propose candidates to be considered for appointment as Board of Directors during period from 20 December 2016 – to 2 February 2017 but no shareholder proposed any agenda or candidates for appointment as directors.

Khun Tresarun informed the meeting about voting, vote counting procedures including procedures for posting inquiries and expressing opinion as follows:

#### **Voting**

1. Casting of vote. One share is equal to one vote. Each shareholder is entitled to voting right according to the number of shares held or given under proxy. Share holder can vote to approve, disapprove or abstain from voting for each agenda according to the number of shares held or given under proxy by using ballot card given at Registration Desk.

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2. Votes are counted only for agendas under consideration and agenda to adopt minutes of the meeting.
3. Casting of votes for each agenda, **except Agenda 4.3. Approval and re-election of Directors to replace Directors who completed terms of office**, to be explained in due course. In the event that no shareholders disapproved or abstained from voting, it will be considered that shareholders agreed to or approved of the proposed agenda according to voting rights of shareholders. Shareholders who disapproved or abstained from voting are requested to put a mark in the ballot card and raise their hands so an officer could collect their ballot cards.

In counting the votes, Disapproved or Abstained votes shall be deducted from the total number of votes and the remaining shall be treated as votes in favor of the agenda. When finished counting the votes for each agenda, the result will be shown on the TV monitor in front of the meeting room and at the same time, resolution of the agenda will be reported to the Meeting.

To ensure transparency, resolution made at this meeting shall be conducted openly and ballot cards collected from all participants.

Ballot cards are void if found in the following conditions:

- 1) More than one box had been marked or
- 2) Show conflicting intention to vote or
- 3) With deletion but no signature to confirm the intention or
- 4) With total votes exceeding the number of shares held.

Shareholders who wish to make changes in the ballot card should cross out the original entry and enter their signature to confirm the intention.

4. When shareholder (who used Power of Attorney, Form B or Form C) to authorize another person or director/independent director to attend the meeting and cast a vote and indicate that the proxy shall cast a vote according to the wish of shareholder/authorizer, the Company shall act accordingly.

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Foreign shareholders (who used Power of Attorney, Form C) who appointed a custodian of securities in Thailand may vote to agree, disagree or abstain from voting for each agenda at the same time by separating the votes and total votes shall equal to total number of shares held.

5. Casting votes for agenda 4.3 Approval and re-election of Directors to replace Directors who completed term of office.
  - 5.1. Shareholder who used Power of Attorney Form B to authorize another person or Director to attend the meeting and to cast a vote and indicated that the proxy shall cast a vote according to the wish of shareholder/appointer, the Company shall act accordingly.
  - 5.2. The Company proposed to re-elect each director individually. Shareholders are requested to vote in favor or against the motion or abstain from voting. Company officer shall collect ballot cards from shareholders who vote against or abstain from voting first and then collect the rest of ballot cards from shareholders who voted in favor of the motion.
6. According to the Company Article of Association No. 30 concerning voting procedures that normally the resolution is determined by majority votes of shareholders present and cast their votes, one share equals one vote. If the Approved and Disapproved votes are equal, Chairman of the meeting shall cast a deciding vote. Therefore when consider whether majority votes are in favor or against the motion, only Approved votes of shareholders present and cast their votes are counted. Shareholders who disapproved or abstained from voting shall be considered as voting against the motion.
7. Shareholders who wish to leave early or not present in the meeting room when any agenda is being considered but wish to exercise their right to vote can do so by marking their ballot card and hand it over to Company staff at the door before leaving the meeting room.
8. Because shareholders and proxy of shareholders do not enter the meeting room at the same time, total participants in the meeting and total votes for each agenda may vary.

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9. To ensure transparency in counting the votes, the Company has appointed Khun Kulnisha Srimontien, Legal Advisor from Veerawong, Shinawatana and Partners Company Limited, to act as witness when votes are counted.

### **Posting Inquiries and Expressing Opinions**

1. Prior to voting for each agenda, the Chairman through person conducting the meeting shall provide an opportunity for participants of the meeting to make inquiries on issue relevant to that agenda. Shareholder or proxy of shareholder who wishes to post inquiries or express opinion is requested to go to the front of the stage and use the microphone to speak.
2. When permitted by the Chairman through person conducting the meeting, the said shareholder should give his name and surname to the meeting, and proxy of shareholder should give name of shareholder who authorized him to act as proxy, before making any inquires or suggestions so that suggestions, queries and responses could be summarized and recorded in minutes of the meeting.
3. Shareholders who have questions or suggestions that are irrelevant to current agenda are requested to ask questions or make suggestions during the agenda for other matters, scheduled toward the end of the meeting. Shareholders are requested to cooperate by asking questions briefly, without repeating similar issues so that other shareholders or proxy of shareholder can exercise their rights and the meeting can proceed as scheduled. To avoid disturbing other shareholders, participants are requested to refrain from using mobile phone or change alert mode of incoming calls from ring tone to vibration.

Company Secretary then provided an opportunity for shareholders to make further inquiry regarding voting and vote-counting procedures including procedures for posting inquiries and expressing opinions. As there was no further inquiry on the said subjects, the meeting proceeded according to following agendas.

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**Agenda 1**      **Matter presented by the Chairman for information**

None

**Agenda 2**      **Adopt minutes of Annual General Meeting (AGM) of Shareholders, on 12 April 2016**

Khun Pradit proposed to the meeting to consider and adopt minutes of AGM of Shareholders, held on 12 April 2016 details can be found in minutes of meeting sent to shareholders together with invitation to the meeting (Attachment 1).

Shareholders were given an opportunity to ask questions and comment which can be summarized as follows:

**Question:** Khun Siriwat Woravejwutthikun, shareholder, referred to page 19 of Minutes of AGM of shareholders 2016, that the resolution to disapprove appointment of Khun Visnu as Board Director is 218 m votes but the percentage is 0.002, which cannot be right.

**Answer:** Company Secretary explained that it was a typing mistake. The correct percentage should be 11.2915.

Khun Pradit asked if shareholders have any other questions or comments. As no shareholders have any other questions or comments he requested the meeting to consider the approval of minutes of AGM of Shareholders 2016, held on 12 April 2016. For this agenda the resolution must be supported by majority votes of shareholders present at the meeting and cast their votes.

**Resolution** The meeting considered and resolved to adopt minutes of AGM of Shareholders 2016, held on 12 April 2016 detailed as presented with the following votes:

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting and cast their votes
Approved	1,781,445,179	100.0000
Disapproved	-	-
Abstained	-	-
Voided	-	-

Note:

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1. For this agenda, resolution must be supported by majority votes of shareholders present at the meeting and cast their votes.
2. For this agenda, total votes of shareholders present at the meeting and proxy of shareholders = 1,781,445,179
3. For this agenda, total votes of shareholders present and the meeting and cast their votes = 1,781,445,179

### **Agenda 3      Matters proposed for information**

#### **Agenda 3.1** Acknowledge the Board of Director's Annual Report 2016

Khun Pradit requested Khun Puttipong Prasarttong-Osoth, President of the Company (Khun Puttipong) to report for this agenda. Khun Puttipong presented a summary of the Company Performance Report 2016 as follows:

- Overview aviation industry in 2016. Revenue Passenger Kilometer (RPK) of all regions worldwide increased by 6% while Available Seat Kilometer (ASK) increased by 6%.
- Airlines in the Asia Pacific and Middle East regions have the highest and strongest passenger growth (RPK and ASK) as follows:
  - \* Asia Pacific airlines. RPK increased by 9%; ASK increased by 8%
  - \* Middle East airlines. RPK increased by 11%; ASK increased by 14%
- Overview aviation industry in 2016. Revenue from transportation of passengers or Yield decreased by 7%. Average price of ticket decreased by 1%. The presented diagram shows growth of international passengers arrival to Thailand compared with Bangkok Airways passengers.
- Overall market growth increased by 9% similar to rate of Company growth
- Growth rate of ticket sales in China increased by 44% , higher than market growth
- In other regions i.e. Asia Pacific, Europe or the Middle East growth rate of ticket sales is higher than market growth.

#### **Route Network expansion**

In 2016, the Company added new routes and increased frequencies in existing routes as follows:



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New routes: In April 2016, the Company commenced operation on one domestic route and two international routes. The domestic route connects Chiang Mai to Mae Hong Son, two popular tourist cities in the north which normally takes several hours to travel by car. Thus the route offers more choice and added convenience for travelers.

For international routes the Company started to operate flights from Bangkok to Danang, an important port and tourist destination in central Vietnam, located on the seashore of South China Sea, and also flights to China routing Samui - Chengdu in order to expand customer base in China.

### **Increased frequencies**

The Company increased frequencies in several domestic and international routes:

- Bangkok – Phnom Penh from 35 to 42 weekly flights
- Samui - Singapore from 12 to 14 weekly flights
- Bangkok – Nay Pyi Taw from 5 to 6 weekly flights
- Bangkok – Luang Prabang from 7 to 14 weekly flights
- Bangkok – Sukhothai from 14 to 21 weekly flights
- Phuket – Haad Yai from 10 to 14 weekly flights
- Bangkok - Chiang Rai from 14 to 21 weekly flights
- Bangkok – Chiang Mai from 49 to 56 weekly flights
- Chiang Mai – Samui from 7 to 14 weekly flights

### **Fleet Expansion**

At end of 2016 total number of aircraft in the Company's fleet is 34, increased by 3 from previous year. The fleet consists of the follow aircraft types.

- Airbus A319	-	12
- Airbus A320	-	9
- ATR72-600	-	7
- ATR72-500	-	6

### **Code Share Agreement**

In 2016 the Company entered into a total of 21 Code Share Agreements, with one addition from 2015 i.e. Austrian Airlines.

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Motivations to enter into code share agreement are – to increase number of passengers in the Company's route net and to broaden route net to cover other destinations in Europe, South East Asia, the Middle East and Australia.

In 2016 airline business achieved better results as follows:

- Total passengers increased from 5.1 m to 5.6 m or 10% growth
- Total seats increased 6 % to 8.1 m seats
- Resulting in increase of load factor from 66.8% to 69.2%
- Revenue passenger kilometer (RPK) increased 9% or equals to 4,253m seats-km
- Available seat kilometer (ASK) increased 5% or equals to 6,149 m seat-km
- Although revenue from airline business increased from 2015 but passenger yield per person decreased 2% due to intense competition in aviation industry
- Revenue ASK increased from 3.60 Baht to 3.65 Baht
- Cost ASK increased from 3.30 Baht to 3.33 Baht
- As a result unit margin for 2016 equals 0.33 Baht increased 10% mainly due to lower fuel price.

### **Airport Related Activities**

The Company has three airport related businesses with a 20-year concession granted by Airport Authority of Thailand since the opening of Suvarnabhumi Airport.

1. **Air catering services** by Bangkok Air Catering Co., Ltd. (BAC)  
In 2016 BAC gained 25% market share at Suvarnabhumi Airport, provided services to 23 airlines and produced approximately 10.2 million meals or achieved 3% growth rate.
2. **Ground handling services**, by World Wide Flight Services - Bangkok Air Ground Handling Co. Ltd. (BFS Ground) which provided services to a total of over 63,000 flights or 9% growth rate. It gained 56% market share due to increased total flights and total passengers.
3. **Cargo services** by WFS-PG Cargo Co. Ltd. The Company gained higher growth rate compared to the same period in 2015 due to adjustment of charges and increased volume of cargo transported. At present its market share at Suvarnabhumi Airport is 49% providing services to 64 airlines.

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### **Renovation of passenger lounge**

To enhance comfort and convenience for its passengers, in 2016 the Company set up passenger service corner at Mae Hong Son Airport and renovated passenger lounge at Luang Prabang and Phnom Penh airports

### **Airport related business**

The Company is working on Renovation Project of Samui Airport. An airport designer has been identified and applications of permits sent to relevant authorities. The renovation is expected to be finished by the end of 2018.

### **Rewards**

- The Company won first place as World's Best Regional Airline and Best Regional Airline in Asia awarded by Skytrax.
- Ranked as one of Top Ten Airlines – Worldwide and Fourth Best in Cabin Service – Worldwide by SmartTravelAsia.com - a leading travel website in Asia that conducted a survey of millions of travelers around the world under the topic “ Best in Travel 2016”
- The first airline to receive Air Operator Certificate – Recertification (AOCR) in compliance with ICAO standard. The certificate was presented by Civil Aviation Authority of Thailand (CAAT) on 27 February 2017.
- In previous year, the Company succeeded in passing IATA Operation Safety Audit (IOSA) - an internationally recognized airline safety standard.

### **Corporate Social Responsibilities (CSR)**

- In 2016 the Company was selected by THAIPAT as one of top 100 listed companies with outstanding sustainable business
- The Company organized CSR activities such as Reusable garbage; Lampang Hospital's development project on quality of life; Promotion of Pali language for monks and novices, with dedication to royal charity program and English Language Improvement project.

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### **Some CSR activities were organized at the Company's airports.**

- Samui Airport is the first airport in Thailand to receive Carbon Footprint Label presented by Thailand Greenhouse Gas Management Organization.
- At Sukhothai Airport CRS activities included improvement of canals and promotion of tourism in Sukhothai and its cultural heritage
- At Sukhothai and Trat airports activities such as English Club with Bangkok Airways and cultural promotion are in progress.

### **Promote relationships with investors and analysts**

To strengthen relationship with investors and analysts, the Company organized many activities such as familiarization visit to the Company, joint activities with Stock Exchange of Thailand, presentation of data to investors in Thailand and abroad. Some activities such as press conferences and publicity campaigns were conducted regularly.

- An in-flight menu workshop was arranged for shareholders to gain first hand experience in preparation of meals served on board.
- Consistence presentation of data to local and international investors, a total of 11 sessions in 2016.
- Participation in Opportunity Day at each quarter.

### **Summary of Performance Results**

#### **Statement of comprehensive income**

- Total revenues 26,766 m Baht, increased 8%, due to increased number of passengers
- Total expenses 22,921 m Baht, increased 6%
- Total profit before tax deduction 2,776 m Baht, increased 32 % from 2015
- However in 2016 the Company was required to pay additional corporate income tax at the amount of 506 m Baht, in compliance with Ministry of Finance announcement regarding different methods for calculation of tax, used by BOI and Revenue Department.
- Consequently, net profit in 2016 at 1,837 m Baht, decreased by 12 m Baht from 2015. Net profit allocated to shareholders equals 1,768.4 m Baht.
- Earning per share 0.84 Baht

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### Cash Flow statement

Total Cash Flows from operating activities	3,495 m Baht
Cash Flows from investment activities	675 m Baht
Cash Flows from financing activities	4,396 m Baht

### **Operation Plan 2017**

- The Company planned to expand route net to China and countries in Indo-China and increase frequencies on 8 routes, both domestic and international, which are in high demand.
- Expand network of partner airlines by establishing code share agreements with 4 additional airlines, particularly airlines in Asian region.
- Regarding aircraft fleet, the Company took delivery of one ATR72-600 at the beginning of previous month and another one scheduled to be delivered in April and planned to accept delivery of 3 Airbus A319 by the end of 2017.
- Airport business. The Company planned to build one hangar at Suvarnabhumi Airport and another one at Sukhothai Airport to ensure faster and more efficient maintenance of the Company aircraft and also enable the Company to offer maintenance services to other airlines.
- Airport Development Project – The Company planned to build one airport in Thailand and another one abroad. A feasibility study of the projects is in progress at present.
- Marketing plan – this year the Company emphasizes Sports Tourism on six routes and offers special promotions to specific groups such as students, government officials and staff of state enterprises. In addition ‘Resident Cards’ are presented to group of people living in the vicinity of the three airports.

Khun Pradit gave an opportunity for shareholders to ask questions and comment which can be summarized as follows:

Questions : Khun Siriwat Woravejwutthikun congratulated the Board and Company staff on their good performance and satisfactory operation results as well as receiving many prizes. He asked the following questions:

- 1) Regarding the news that Samui Airport encroached on public property and actions taken against the Company, what is the situation at present?
- 2) Whether this news would deter renovation and expansion of the airport

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3) The Company raised fund through the stocks market, at approximately 13,000 m Baht, for which activities did the Company utilize the fund.

Answer: Khun Pradit explained about the news that the Company has not yet received any official notification concerning right of ownership but would like to reassure shareholders that documents of ownership of Samui Airport had been acquired in a correct and proper manner, therefore the news will not have any impact whatsoever on services provided by the Airport.

Answer: Khun Anawat Leelawatwatana, Director/Executive Officer/ Senior Vice President, Finance and Accounting (Khun Anawat) explained that notification on purposes for fund raising by the Company can be found in the Prospectus, which included the following activities:

- 1) Fleet expansion 9,000 m Baht.
- 2) Procurement of engines, spare parts and equipment 1,500 m Baht
- 3) Construction of hangar at Suvarnabhumi Airport 900 m Baht.
- 4) Renovation of Samui Airport 900 m Baht
- 5) the remaining sum to be used as working capital

(Data applicable to end of December 2016). So far the Company used 3,476 m Baht for fleet expansion: 874 m Baht for procurement of aircraft spare parts; 239 m Baht for Renovation of Samui Airport and 7,711 m Baht remaining in the account.

Question: Khun Watchara Sukithammarak, proxy of Khun Sunisa Wongsarivej asked for addition information as follows:

- 1) Total advertising budget paid to PPTV in 2016
- 2) Whether these advertisements reach the Company's target group and would it be possible to coordinate with PPTV in other activities
- 3) Whether it is possible for the Company to sponsor other sports or activities.

Answer: Khun Anawat explained that in the Annual Report 2016 under Related Party Transactions, cost of advertising through PPTV is less than 10 m Baht. Regarding target group, the Company's target groups, determined by Commercial Department, have a growing interest in sports. As can be seen in the Operation Plan 2017, the Company emphasized groups that are keen on sports. Last year there was a promotion that allowed sports equipment to be loaded without any charges. In 2017, this target group has been expanded to include other types of sports, such as football. In Thailand the number of people interested in football

is quite large so the Company conducted a survey and found out that this group has potential so advertisements were placed in some of football programs.

Answers: Khun Puttipong said that before advertising on PPTV, the Company would consider which programs would be suitable for the support. Tourism and food tasting programs are worthy and their target groups are similar to the Company. Support to the program may vary from placing an advertisement, offering prizes and other options.

Question: Khun Wiyada Kongseri, proxy of Khun Dalin Kongseri asked whether the announcement in the National Gazette on excise tax of fuel may have an impact on the Company.

Answer: Khun Anawat said that Excise Department announced in 1984 that the rate of excise tax is 34% of fuel price or not less than 4 Baht per liter. Then in 1992 the Department amended the rate of tax to 1% or minimum rate of 0.20 Baht per liter, effective until January 2017. Ministry of Finance made an announcement to amend rate of tax to 23% of fuel price or not less than 4 Baht per liter effective since the end of January 2017. The excise tax is applicable only on domestic routes. When calculating total passengers and load factors on domestic routes, the Company found that the amended rate of fuel tax will increase operating costs by 200 Baht per person. Therefore the Company contacted the authority concerned and requested a 200 Baht increase on ticket price which was effective since beginning of February 2017.

Question: Khun Laksana Nakprasert, shareholder asked how the Company will be spending the remaining fund from IPO.

Answer: Khun Anawat said that in the financial statement there are two items (1) Cash and cash equivalents and (2) Current investment, all of which are deposited in the bank. At end of 2016 this amount to a total of approximately 10,600 m Baht. Reason for slowness in utilization of the fund is because most of it has been allocated for fleet expansion. Before placing an order for procurement of aircraft, the Company needs to study all details thoroughly and take care to manage expenditure cautiously.

Question: Khun Dan Wan-arom, shareholder had questions on load factor whether the Company will be able to maintain 65% load factor as at present and whether load factor is likely to increase in the future.

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Answer: Khun Puttipong said that in 2015 load factor = 66.8%, and increased to 69.2% in 2016. In current year the Company will take delivery of more aircraft, open new routes, increase frequency in existing routes and strengthen route net through code share partners, all of which will provide more convenience for passengers and help to increase bookings. Before deciding to increase flights, the Company needs to carefully consider demand and supply, growth rate of passengers and bookings, whether flight schedules meet the needs of passengers and whether the increased flights will provide better connection for code share partners. With these considerations in mind, the Company believes higher load factor can be achieved or at least maintain the same as previous year. The target for 2017 has been set at 70%.

Question: Khun Methee Ransiwong had the following questions.

- 1) How long will it take to complete the two airports development projects, how much investment would be needed, would the projects require additional funding.
- 2) The Company route net has been extended to reach destinations in China and Indo-China, what is the load factor on these routes in the first quarter.

Answer: Regarding airport development projects, Khun Pradit said that an application of permit has been submitted. Shareholders will be informed once the permit is received. But it is not possible to provide more details at present because Securities and Exchanges Commission (SEC) has rules and regulations which do not allow disclosure of information when exact details are not yet available.

Answer: Khun Puttipong said that the objective of the new route Samui – Kwangchow is to focus on Chinese tourists. Two months after the opening load factor exceeds 50% which is considered as a success because normally load factor, in first 6 months after opening of a new route, is between 30% – 40%. The following quarters will see some improvement. Therefore the Company is confident that the established flight routes will bring good results and more support will be given to operation to the new routes.

Khun Pradit provided an opportunity for shareholders to ask further questions or comment. As no shareholders had any other questions or comments and as this agenda is a report for information whereby no resolution is required by voting he concluded that the meeting has acknowledged the Company's 2016 Performance Report.



### **Agenda 3.2 Acknowledgment of report on payment of interim dividend**

This agenda is intended for acknowledgement by shareholders on payment of interim dividend approved by Board of Directors. The Company generated a net profit of 979.10 m baht for the first 6 months of the year. Dividend at rate of 0.25 Baht per share, a total of 525,000,000 Baht had been paid to shareholders on 21 September 2016. The Board considered as appropriate to report on payment of interim dividend for acknowledgement at shareholders meeting.

Shareholders were provided an opportunity to ask further questions or comment. As no shareholders had any questions or comments, Khun Pradit requested permission to close the agenda. As this agenda is a report for information and no voting is required, he concluded that the meeting has acknowledged the report on payment of interim dividend.

### **Agenda 4 Proposed for consideration and approval**

#### **Agenda 4.1. Approval of Financial Statements, consisting of Statement of Financial Position and Statement of Comprehensive Income ended on 31 December 2016**

Khun Pradit invited Khun Anawat Leelawatwatana to present a report for this agenda. Khun Anawat proposed to the meeting to consider and approve Financial Statement consisting of Statement of financial position and Statement of Comprehensive income ended on 31 December 2016. He explained that Consolidated financial Statement and Separate Financial Statements had been audited by accredited auditors who are of the opinion that they are correct in accordance with generally accepted accounting standard and expressed opinion unconditionally.

Statement of financial position according to consolidated financial statement, ended on 31 December 2016, shows that the Company has total assets of 60,289 m Baht, increased 3,276 m Baht from 2015 or increased 5.7%; total liabilities 28,300 m Baht, increased 2,383 m Baht or 9.2%; total Shareholder's equity 31,989 m Baht, increase 893 m Baht from previous year or increased 2.9%.

Statement of income according to consolidated financial statement shows the Company has a total income of 26,766 m Baht, increased 1,863 m Baht or 7.5%; total expenses 22,921 m Baht, increased 1,219 m Baht or 5.6%. This year the Company generated a profit, before finance expense and income tax, of 4,530 m Baht. Total expense on income tax including one item on adjustment of tax for juristic person (refer to different methods to calculate tax used BOI and Revenue Dept) = 939 m Baht. As a result the Company generated net profit of 1,837 m Baht, when compared to profit generated in previous year the difference is 12 m Baht or 0.6%. Earning per share equals to 0.84 Baht.

Cash Flow statement. In 2016, the Company Cash Flow statements are divided according to type of activities as follows

Cash Flows from operation activities	3,495 m Baht
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Cash Flows from investment activities	675 m Baht
Cash Flows from financing activities	4,396 m Baht

Statement of financial position according to Separate financial statement, ended on 31 December 2016, shows total assets of 56,488 m Baht, increased 3,081 m Baht from previous year or increased 5.8%; total liabilities 26,694 m Baht, increased 2,286 m Baht from previous year or 9.4%; total Shareholder's equity 29,793 m Baht, increased 793 m Baht from previous year or increased 2.7%.

Statement of income according to Separate financial statement 2016, the Company has a total income of 24,643 m Baht, increased 1,752 m Baht or increased 7.7%; total expenses 20,445 m Baht, increased 1,124 m Baht or increased 5.8%. This year the Company generated a profit, before finance expense and income tax, of 4,198 m Baht. Total expense on income tax including one item on adjustment of tax for juristic person (refer to different methods to calculate tax used BOI and Revenue Dept) = 780 m Baht. As a result the Company generated net profit of 1,681 m Baht, when compared to profit generated in previous year the difference is 179 m Baht or 9.6%. Earning per share equals to 0.80 Baht.

Cash Flow statement. In 2016, the Company Cash Flow statements are divided according to type of activities as follows

Cash Flows from operation activities	2,788 m Baht
Cash Flows from investment activities	63 m Baht
Cash Flows from financing activities	4,289 m Baht

Khun Pradit provided an opportunity for shareholders to ask questions or comment. Participants to the meeting asked questions and made comments which can be summarized as follows:

Question: Khun Siriwat Woravejwutthikun, shareholder asked the following questions:

- 1) The President informed shareholders that increased load factor, number of aircraft and flight routes will improve performance, then why costs of sales and services remain high.
- 2) The Company's cost of sales and services is 19,000 m Baht, whether one-third of this is fuel cost. In 2016 there was a difference on fuel price about 30 – 40% from previous year, this year (2017) average fuel price is about USD 50 – 60 / barrel, would this have any impact on the Company as costs will increase.
- 3) What is the percentage of load factor to breakeven
- 4) Gain from exchange rate in 2015 = 322 m Baht and in 2016 = 179 m Baht. Whether this is actual profit and which items generated the profit.
- 5) Why income tax increased from 250 m Baht to 939 m Baht

Answer: Khun Anawat explained that in 2015, average price of fuel decreased but at the same time the business was expanding resulting in increase of expenses such as for aircraft maintenance to comply with safety standard, opening new stations, operation of flights on new routes and recruitment of employees, however the Company generated more profit.

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Cost of fuel is calculated at 20% of sales costs and in order to manage risks, a portion of the fuel consumption has been hedged.

Answer: Khun Puttipong added that breakeven point is not calculated from load factor only, cost per unit or yield must also be taken into account and the two put together would give the amount generated as income.

Answer: Khun Anawat added that gain from exchange is real profit and records are entered. The other portion is unrealized gain. Most of the Company's customers are foreigners so 50% of the income is in foreign currencies. When there are expenses in foreign currencies, foreign currencies on hand are used to pay off, so there is little impact from exchange rate compared with other companies. Gain from exchange rate decreased in 2015 mainly because value of currencies varies at various times and realized gain or loss from exchange rate is recorded in different ways.

Reason for increase of income tax is due to additional income tax (506 m Baht) caused by different methods, used by BOI and Revenue Dept, to calculate income tax for activities with BOI privileges.

Question: Khun Suriya Sub-asa, shareholder had the following questions:

- 1) What are the activities related to Cash flow for financing, and reasons for big increase of cash flow under this category.
- 2) What is the meaning of financing activities

Answer: Khun Anawat said that most of finance activities are

- withdrawing of money under loan agreement or debt payment, under obligation to finance institutes, whether long-term or short-term liabilities.
- payment of dividend to shareholders. In 2016, dividend paid to shareholders = 1,470m Baht
- payment of interest to Samui Property Fund. For the right to lease Samui Airport according to the agreement with the Fund, the Company is under obligation to pay to the Fund a total of over 1,000 m Baht. The amount depends mainly on total passengers traveling to/from Samui Airport and total flights to/from Samui Airport.

Answer: Khun Prasert Prasartong-Osoth, Vice Chairman / Chief Executive Officer / Chairman Executive Management Committee (Khun Prasert) said that every company that operates business has certain amount of liabilities. The Company's liabilities are not substantial.

Answer : Khun Anawat said that accounting terms have two sides,

taking a loan = financing  
repayment = spending

Answer : Khun Roongnapa Lertsuwannakul , auditor from EY Office Co. Ltd. (Khun Roongnapa) explained that accounting terms in financial statements under Cash flow include three types of activities

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1. Operation activities – the Company main activities that generate income and expenses
2. Investment activities – procurement and sales of long term assets and other investment not included in cash equivalents
3. Financing activities, mainly concerning payments i.e. payment of dividend to shareholders, payment of interest to Samui Property Fund.

Khun Pradit asked if shareholders have any other questions or comments. As no shareholder has any other questions or comments, he requested the meeting to consider and approve Financial statements, consisting of Statement of financial position and Statement of comprehensive income ended on 31 December 2016. This agenda needs to be supported by majority votes of shareholders present at the meeting and cast their votes.

**Resolution:** The meeting considered and resolved to approve Financial Statement consisting of Statement of financial position and Statement of comprehensive income ended on 31 December 2016 with the following votes:

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting and cast their votes
Approved	1,782,014,092	99.9988
Disapproved	20,000	0.0011
Abstained	100	-
Voided	0	-

- Note: 1) For this agenda, resolution must to be supported by majority votes of shareholders present at the meeting and cast their votes.
- 2) For this agenda, total votes of shareholders present at the meeting and proxy of shareholders = 1,782,034,192
- 3) For this agenda, total votes of shareholders present at the meeting and cast their votes = 1,782,034,092

#### **Agenda 4.2. Approval to allocate profit and payment of dividend**

Khun Pradit informed the meeting that the Company has established a policy on payment of dividend at minimum of 50% of net profit from separate financial statements after deducting income tax expenses and other reserves as required by the law and stipulated in the Company Article of Association. This rate may vary depending on expansion of the business, the need by the Company to use capital fund annually, or depending on other needs and necessities that the Board considered as appropriate. Payment of dividend must be approved at AGM of shareholders.

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In 2016 the Company generated net profit as shown in Separate Financial Statements at 1,680,931,615 Baht and Board of directors has once approved payment of interim dividend for first six month operation period of 2016, to shareholders at 0.25 Baht per share, a total of 525,000,000 Baht paid on 21 September 2016. And as the Company has sufficient fund in cash flow to pay dividend for operating result in 2016, the Board considered as appropriate to propose at AGM of Shareholders for approval to allocate profit from 2016 operation result as follows:

- Allocate appropriate statutory reserve of 90,000,000 Baht and allocate the balance as retained earnings
  
- Approve payment of additional dividend for 2016 for total operation period in 2016, at 0.50 Baht per share, a total of 1,050,000,000. The dividend comes from profit made from operation of activities with BOI privileges at 0.30 Baht per share, and profit from activities without BOI privileges (Non-BOI) at 0.20 baht per share. Total dividend in 2016 equals 0.75 per share, a total of 1,575,000,000 Baht. The dividend is paid to shareholders eligible to receive dividend and whose names are recorded on the list of shareholders on Record Date 9 March 2017. The listed names are compiled in compliance with Section 225 of the Security Exchange Act B.E. 2535 (1992) [and its amendment.] by closing the registration book on 10 March 2017. The dividend is scheduled to be paid on 28 April 2017.

Khun Pradit added that total dividend paid equals 99% of net profit in Separate Financial statement, after deduction of income tax of juristic person and deduction of all types of legal reserves. This rate is much higher than the rate prescribed in the Company's Policy for Payment of dividend. The Policy prescribed payment of dividend at rate not less than 50% which many vary depended on various factors for example business expansion, requirement of capital investment, other needs or suitability. The Board is required to consider rate of payment of dividend from operation result of each year as appropriate.

Khun Pradit provided an opportunity for shareholders to ask questions or comment. Questions and comments raised by participants can be summarized as follows:

Question: Khun Siriwat Woravejwutthikun, shareholder had following questions.

- 1) Payment of dividend from Separate financial statement, when compare profit generate in 2015 and 2016, profit decreased from 1,860 m Baht to 1,680 m Baht. From the invitation letter to this meeting, he noted that total dividend of 1,575 m Baht will be paid. This means that most of the profit will be spent. Earning per share = 0.80 Baht and the C
- 2) ompany pays dividend per share = 0.75 Baht. Therefore not much of the profit will be retained. If an unexpected incident should occur, the Company will not be able to pay dividend at the same rate as before.

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- 3) If an unexpected incident should occur, he was afraid that the remaining fund from IPO will be used to pay dividend.

Answer: Khun Prasert explained that the Company paid additional income tax in arrear (tax on activities with BOI privileges). Without this item, the profit would be higher. But the Company wished to be as fair as possible to its shareholders to ensure the most rewarding return on investment so decision was made to pay dividend at rate mentioned above.

Khun Pradit thanked shareholder for his recommendation which will be raised for further consideration. As shareholders did not have any other questions or comments, he requested the meeting to consider and approve allocation of profit and payment of dividend. Resolution for this agenda must be supported by majority votes of shareholders present at the meeting and cast their votes.

Resolution: The meeting considered and resolved to approve allocation of profit and payment of dividend according to the following votes:

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting and cast their votes
Approved	1,782,014,092	99.9988
Disapproved	20,000	0.0011
Abstained	100	-
Voided	0	-

Note:

- 1) For this agenda, resolution must be supported by majority votes of shareholders present at the meeting and cast their votes.
- 2) For this agenda, total votes of shareholder present at the meeting and proxy of shareholders = 1,782,034,092
- 3) For this agenda, total votes of shareholders present at the meeting and cast their votes = 1,782,034,092

#### **Agenda 4.3. Election of directors to replace those who retired by rotation**

Khun Pradit informed the meeting that according to Public Company Limited Act B.E. 2535 (1992) (and amended version) and stipulated in the Company Article of Association, at each AGM, one third of directors shall retire by rotation. Directors retired by rotation in the first and second year after registration of the Company shall be elected by drawing lots. In subsequent years director who has held office longest shall retire. Directors retired by rotation in this case may be re-elected.

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In the AGM 2017, directors who retired by rotation by drawing lots were:

- |                                     |          |
|-------------------------------------|----------|
| 1. ACM. Kaset Rochananil            | Director |
| 2. Khun Sripop Sarasas              | Director |
| 3. Khun Puttipong Prasarttong-Osoth | Director |
| 4. Khun Anawat Leelawatwatana       | Director |

In the selection process, the Board with endorsement from Nomination and Remuneration Committee (excluding those whose names had been nominated), jointly consider qualifications of nominees in various areas taking into account suitable qualifications, experience, expertise in many professions, leadership skill, farsightedness, high morality, excellent work record, ability to express opinion freely and past performance as Board Director.

Shareholders were given an opportunity to propose persons with suitable qualifications and without any prohibitions to be nominated as director in compliance with the criteria disclosed in the Company website. However no one proposed any nominee.

The Board considered the case and agreed that the four directors possess suitable knowledge, skills and experience that would benefit operation of the Company. Therefore it is appropriate to propose to the AGM to re-elect all directors retired by rotation for a further term of office.

Information concerning nominees to be re-elected as directors for further term can be found in Attachment 3. The re-elected directors will be eligible to receive remuneration at the rate approved in Agenda 4.4. The approval of the rate of remuneration will be proposed at this meeting.

Khun Pradit gave an opportunity for shareholders to ask questions or comment. As no shareholder asked further questions or made any comments, he asked the meeting to consider and approve re-election of directors for a further term of office.

For this agenda shareholders are requested to elect each director individually by voting either to Approve, Disapprove or Abstain from voting.

Officers will collect balloting cards from shareholders who disapproved and who abstained from voting first. Then the remaining ballot cards will be collected from other shareholders who approved the proposal.

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Resolution for this agenda must be supported by majority votes of shareholders present at the meeting and cast their votes.

First nominee. ACM. Kaset Rochanani

**Resolution.** The meeting resolved to approve re-election of ACM. Kaset Rochanani as director for further term of office with the following votes.

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting and cast their votes
Approved	1,747,733,892	99.6792
Disapproved	5,624,500	0.3207
Abstained	28,675,800	-
Voided	-	-

Second nominee - Khun Sripop Sarasas

**Resolution.** The meeting resolved to approve re-election of Khun Sripop Sarasas as director for further term of office with the following votes.

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting and cast their votes
Approved	1,753,097,492	99.9844
Disapproved	272,900	0.0155
Abstained	28,663,800	-
Voided	-	-

Third nominee - Khun Puttipong Prasarttong-Osoth

**Resolution.** The meeting considered and resolved to re-elect Khun Puttipong Prasarttong-Osoth as director for further term of office with the following votes.

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting and cast their votes
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Approved	1,722,988,292	98.2670
Disapproved	30,385,200	1.7329
Abstained	28,660,700	-
Voided	-	-

Fourth nominee - Khun Anawat Leelawatwatana

**Resolution.** The meeting considered and resolved to re-elect Khun Anawat Leelawatwatana as director for further term of office with the following votes.

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting and cast their votes
Approved	1,724,760,392	98.3691
Disapproved	28,595,000	1.6308
Abstained	28,678,800	-
Voided	-	-

#### **Agenda 4.4 Determination of remuneration and bonus for Board of Directors**

Khun Pradit informed the meeting that the Board carefully considered various reasons to determine remuneration for directors such as market conditions, growth of the Company earnings and profit, total number of directors at present and deemed as appropriate to propose to the meeting to consider and approve the increment of remuneration and bonus for directors from previous year details as follows:

- \* **Remuneration for Board of Directors**
- Meeting allowance for directors
- \* Chairman 120,000 Baht per meeting
- \* Director 60,000 Baht per meeting
- Bonus for Directors 36.5 m Baht (to be allocated by the Board themselves)

Bonus for directors is calculated at the rate not exceeding 0.15 % of total income from Separate Financial Statement and on condition that bonus can be paid only when the Company generates sufficient net profit and able to pay dividend to shareholders.

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• **Remuneration for sub committee**

<b>Executive Committee</b>	
- Chairman	120,000 Baht per month
- Director (per person)	60,000 Baht per month
<b>Audit Committee</b>	
- Chairman	60,000 Baht per meeting
- Director (per person)	40,000 Baht per meeting
<b>Nomination and Remuneration Committee</b>	
- Chairman	45,000 Baht per meeting
- Director (per person)	30,000 Baht per meeting
<b>Corporate Governance Committee</b>	
- Chairman	45,000 Baht per meeting
- Director (per person)	30,000 Baht per meeting

Khun Pradit provided an opportunity for shareholders to ask questions and comment which can be summarized as follows:

Question: Khun Thanabhumi Dejthewandumrong, shareholder asked the following question.

- 1) Bonus should not be calculated from total income, more appropriate to calculate from net profit.

Khun Pradit thanked shareholder for his recommendation which will be taken into consideration. As no shareholders had any other questions or comments, he requested the meeting to consider and approve determination of bonus and remuneration for the Board as presented

Resolution for this agenda must be supported by majority votes of shareholders present at the meeting and cast their votes.

Resolution: The meeting consider and resolved to approve determination of bonus and remuneration for the Board according to the following details:

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting
Approved	1,732,814,592	97.2380
Disapproved	48,857,000	2.7416
Abstained	362,600	0.0203

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Voided	-	-
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**Notes:**

1. Resolution for this agenda must be supported by no less than two-third of total votes by shareholders present at the meeting
2. In this agenda total votes of shareholders present at the meeting and proxy of shareholders = 1,782,034,192

**Agenda 4.5 Appointment of auditors and determination of Audit fee for 2017**

Khun Pradit requested Khun Sripop Sarasas, Chairman Audit Committee (Khun Sripop) to present a report of this agenda.

Khun Sripop explained that Audit Committee considered the appointment of auditors and determination of audit fee for 2017 then proposed to Board of Directors to consider and proposed the appointment of following candidates at AGM of shareholders:

- \* Khun Sophon Permsiriwanlop Certified Public Accountant No. 3182 or
- \* Khun Pimjai Manitkajohnkit Certified Public Accountant No. 4521 or
- \* Khun Rossaporn Dejarkom Certified Public Accountant No. 5659 or
- \* Khun Summana Patpongsanon Certified Public Accountant No 5872

From EY Office Limited as auditors for 2017. One of the appointed auditors shall be responsible for conducting an audit of the Company's financial statements with comments as appropriate. If such certified auditor is unable to perform his/her assigned duties, then EY must arrange for another certified auditor to replace him/her. EY auditors are independent, possess satisfactory standard of performance, are fully qualified in compliance with the Company Article of Association, SEC and SET rules regulations and consistently demonstrated satisfactory performance. Moreover they have no relationship or interest with the Company, its subsidiary, management, major shareholders or persons related to them whatsoever.

He also requested approval to the proposal to determine remuneration for auditors in 2017 at 5,100,000 Baht, increased 200,000 Baht from previous year because the new Accounting Standard has expanded the scope of work so that auditor will be required in addition to review the Company Annual Report.

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Khun Pradit provided an opportunity for shareholders to ask questions and comment which can be summarized as follows:

Question: Khun Chatchai Komarathad, shareholder

- 1) Method for collecting ballot cards is unsystematic, no cards were collected for Agenda 4.1 and Agenda 4.2.

Answer: Khun Pradit explained that Company Secretary has already informed that meeting on method for collecting ballot cards that only Disapproved and Voided cards shall be collected with exception of Agenda 4.3. However this comment will be taken into consideration for further improvement.

Resolution for this agenda needs to be supported by majority votes of shareholders present at the meeting and cast their votes.

**Resolution.** The meeting considered and resolved the appointments of following auditors:

- Khun Sophon Permsiriwanlop Certified Public Accountant No. 3182 or
- Khun Pimjai Manitkajohnkit Certified Public Accountant No. 4521 or
- Khun Rossaporn Dejarkom Certified Public Accountant No. 5659 or
- Khun Summana Patpongsanon Certified Public Accountant No 5872

From EY Office Limited, as auditors in 2017. Either one of the auditors to audit and comment on the Company's financial statements and when the accredited auditor mentioned above is unable to perform his/her duties, EY shall arranged a replacement of another accredited auditor from EY. Rate of remuneration has been determined as follows.

Details	Total (Baht) 2017
Fee for review of Financial statement. First Quarter	980,000
Fee for review of Financial statement. Second Quarter	980,000
Fee for review of Financial statement. Third Quarter	980,000
Fee for Annual Audit	2,160,000
Total	5,100,000

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The Meeting resolved to approve with the following votes

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting and cast their votes
Approved	1,750,982,992	99.9221
Disapproved	1,364,900	0.0778
Abstained	29,686,300	-
Voided	-	-

**Note:**

1. For this agenda, resolution must to be supported by majority votes of shareholders present at the meeting and cast their votes.
2. For this agenda, total votes of shareholders present at the meeting and proxy of shareholders = 1,782,034,192
3. For this agenda, total votes of shareholders present at the meeting and cast their votes = 1,752,347,892

**Agenda 4.6 To approve amendments of objectives for utilization of proceeds derived from capital increase**

Khun Pradit explained that meeting of the Board considered priorities and necessity in operation of business at present and is in the opinion that reconsideration of the objectives for utilization and allocation of proceeds from IPO from that stated in the prospectus, would enable the Company to utilize the remaining amount in other more important businesses with higher benefits. This would be more appropriate to competitive trends in operation of Company business. Therefore, to enable the Company to use the remaining proceed from IPO for other businesses as appropriate, the Company proposed to amend the original objectives to utilize the proceed as follows:

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<b>Original Objectives</b>	<b>Proceed from IPO (THB million)</b>	<b>Amount spent up to 31.12.2016 (THB million)</b>	<b>Remaining (THB million)</b>	<b>Proposed Changes</b>	<b>Proceeds from IPO to be reallocated</b>
1. Fleet expansion. modification & replacement of existing aircraft	9,000	3,476	5,524	-	Not exceeding THB 6,000 million
2. Purchase of engines, spare parts and equipment for new additions to the fleet.	1,500	874	626	Purchase of engines, spare parts & equipment for the fleet (not limited to new additions to the fleet)	Not exceeding THB 1,500 million
3. Construction of hangar at Suvarnabhumi Airport	900	-	900	Construction & development of aircraft and equipment maintenance hangar (not limited to Suvarnabhumi Airport )	Not exceeding THB 1,600 million
4. Renovation of Samui Airport	900	239	661	-	Not exceeding THB 1,200 million
5. New objective Not listed previously	-	-	-	Construction and development of airport (additional objective)	Not exceeding THB 2,000 million
6. Working capital in business operation	298	298	0	-	Not exceeding THB 298 million
<b>Total</b>	<b>12,598</b>	<b>4,887</b>	<b>7,711</b>	<b><u>Total</u></b>	<b>12,598 THB million</b>

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Khun Pradit provided an opportunity for shareholders to ask questions and comment which can be summarized as follows:

Question: Khun Siriwat Woravejwutthikun

- 1) The remaining proceed from IPO is approximately 11,000 m Baht but total amount requested for approval by shareholders is 13,000 m Baht. Is it necessary for the Company to take a loan of 2,000 m Baht to make up the difference.

Answer: Khun Pradit explained that this agenda is a request to amend objectives for utilizing proceed from capital increase, to enable flexibility in management of the business.

Answer: Khun Anawat added that original objectives for utilizing proceed from IPO were:

1. Fleet expansion, modification and replacement of existing aircraft

Original amount 9,000 m Baht Reduced to 6,000 m Baht

2. Purchase of engines, spare parts and equipment of new additions to the fleet.

Original amount 1,500 m Baht remains the same

3 Construction of hangar at Suvarnabhumi Airport.

Original amount 900 m Baht Increased to 1,600 m Baht

4. Renovation of Samui Airport

Original amount 900 m Baht Increased to 1,200 m Baht

5. Working capital for business operation

Original amount 298 m Baht remains the same

6. Requested approval of an additional objective for Construction and development of airports  
With budget not exceeding 2,000 m Baht

In this regard total amount of capital increase remains the same at 13,000 m Baht.

Question: Khun Viroj Triampongpan, shareholder, asked if the remaining sum of 7,711 m Baht will be spent by the end of 2017

Answer: Khun Pradit said that, it is not possible to be specific because some procedures, such as construction and development of airports, depend on how quickly relevant authority can issue permits. For some projects if approval by the authority is not given, it is not possible to proceed with the work.

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Question: Khun Panuwat Vejchayanwiwat, Shareholder asked the following questions

- 1). The hangar will be used only for maintenance of the Company aircraft or maintenance of other airlines as well.
- 2). Will a budget of 2,000 m Baht be sufficient for construction and development of new airports.

Answer: Khun Pradit said that the hangar at Suvarnabhumi Airport will be used specifically for maintenance of the Company aircraft. But the hangar at Sukhothai Airport will provide services to other airlines as well. The Company will use a budget of 2,000 m Baht for airport development, but if this is not sufficient the Company may need to take a bank loan.

Khun Pradit thanked shareholder for his recommendations which will be taken into consideration. As no shareholder had any additional questions or comments, he requested the meeting to consider and approve amendment of objectives for utilization of proceed from capital increase as presented.

This agenda must be supported by no less than three-fourth of votes by shareholders present at the meeting and cast their votes and Disapproved votes must not exceed 10% of total votes by shareholders present at the meeting and cast their votes.

**Resolution:** The meeting considered and approved the amendment to objectives for utilization of proceed from IPO with the following votes.

Resolution	Total votes 1 share = 1 vote	Percentage of total votes of shareholders present at the meeting and cast their votes
Approved	1,781,966,892	99.9988
Disapproved	20,100	0.0011
Abstained	47,200	0.0026
Voided	0	-

**Notes:**

1. Resolution for this agenda must be supported by no less than three – fourth of total votes by shareholders present at the meeting with the right to vote, without negative votes from 10% of total votes of shareholders present at the meeting with right to vote.



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2. In this agenda total votes of shareholders present at the meeting and proxy of shareholders = 1,782,034,192

#### **Agenda 5. Consideration of other matters**

No shareholder proposed any other matters to the meeting.

Khun Pradit then gave an opportunity for shareholders to ask questions and comment which can be summarized as follows:

Question: Khun Panya Kraitas, shareholder raised problems on services and made following recommendations:

- Passenger lounge – In cooperation with AIS, AIS members are allowed to use the lounge, but at present they can use it only twice a year. So these members no longer fly with Bangkok Airways.
- Flight delay happens all the time.
- The Company takes no responsibility when passengers' baggage are damaged
- Improve bus services that transport passengers to the aircraft
- More channels for sales of tickets so it is more convenient for customers.
- More efficient management of queues at check-in counters
- make it possible to check Flyer Bonus points at ticket sales counters and website
- re-check the allocation of promotion tickets on reservation systems
- Procedures of work by cabin crew should be stricter particularly when taking care of passengers during take off and landing.

Answer: Khun Pradit thanked shareholder for his comments and recommendations which will be useful for improvement of services.

Question: Khun Watchara Sukeedhammarak, had the following questions

- 1) If BDMS increases capital, would the Company be able to maintain the same percentage for holding BDMS shares
- 2) What new routes will be operated this year?
- 3) What are the benefits of code share agreements with THAI.

Answer: Khun Anawat said that if BDMS capital increase is a Right Offering, then the Company shall exercise its right to maintain the same percentage of shareholding.

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Answer: Khun Prasert said that BDMS has no policy on capital increase except to issue corporate bonds in some instances with specific objectives. In addition SEC does not want the two companies to increase percentage to hold shares of each others company. So the same percentage will be maintained.

Answer: Khun Pradit said that the increase capital by BDMS is made for specific clients and the Company may not be given the opportunity to do so.

Answer: Khun Narumon Noi-am, Director (Khun Narumon) explained that BDMS obtained approval by shareholders to increase 5% of capital in the form of a reserved fund. The sale is for specific persons, not the existing shareholders, therefore not a Right Offer.

Answer: Khun Puttipong said that code share can benefit the Company in many ways - it allows the Company to concentrate on expanding and strengthening route net in the country and countries in Asian region and create new products to attract more passengers. There is a plan to add convenience for passengers by developing Chiang Mai station as an airline hub that can provide better flight connections.

A survey team will start working in May to identify new routes.

The Company code shared with THAI once in the past and the agreement has just been re-activated resulting in increasing passengers for both airlines and selling more tickets.

Question: Khun Lakana Nakprasert, shareholder asked if remuneration for directors increases every year and whether remuneration for staff also increase.

Answer: Khun Pradit said that each year remuneration for directors must be submitted for approval at AGM of Shareholders before it is implemented. The increment is not applicable every year. As the Company has established Nomination and Remuneration Committee, the Committee is responsible to ensure that remuneration for director is appropriate.

Question: Khun Suwannee Watchanajit, shareholder, requested improvement of invitation letter to the meeting to include power point presentations

Answer: Khun Pradit acknowledged the comment to be used for improvement

Question: Khun Lakana Nakprasert, shareholder commented on size of font in the presentation which is too small and the colour does not stand out, making it difficult to see clearly.

Answer: Khun Pradit acknowledged the comment to be used for improvement

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Question: Khun Thanabhumi Dejthewandumrong shareholder, asked if the Company manages risk on fuel price by fuel hedging or by building a storage tank and whether the price that has been hedged is appropriate.

Answer: Khun Anawat explained that due to fluctuation of fuel price, the Company, through Management Committee, manages risks by fuel hedging. The Board determined price of fuel in advance, and about 50% – 70% of total fuel consumption is hedged. Management Committee presents a report to the Board on regular basis.

Question: Khun Siriwat Woravejwutthikun, shareholder asked the following questions

1) An estimation of price of BA shares has been made in 2014 (at IPO) Is the price at present similar to what was estimated. What is the reason for the decrease in price of BA shares .

2) How can shareholders be assured that the Company will generate profit in 2017 and able to pay the same rate of dividend at 0.75 Baht per share.

Answer: Khun Pradit said that consideration for payment of dividend depends on many factors such as the Company operation results and global economy so it is not possible to confirm that the Company will be able to allocate dividend at the same amount.

Answer: Khun Prasert added that SEC required the Company to revise the way expenses (of Samui Property Fund) are recorded in the account in compliance with new Accounting Standard. As a result the Company needed to amend records of accumulated profit at Approximately 4,000 m Baht. At present the Company's assets exceed its liabilities and many good projects are on hand, so the Company can inform shareholders with confidence that they will receive high dividend yield.

Question: Khun Chartchai Sitthipun, shareholder asked a question regarding construction of hangar at Sukhothai Airport, whether or not there will be lack of staff and equipment.

Answer: Khun Prasert said that two years ago, the Company requested to lease a plot of land at Suvarnabhumi to build a hangar, to date the request has not yet been approved. Therefore, a hangar at Sukhothai airport was considered as an alternative plan with expectation that the costs will be lower. Regarding personnel, it may be necessarily to cooperate with a foreign company with acceptable standard and proper license. For the future maintenance services for other airlines will be an additional option.

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Khun Pradit provided an opportunity for shareholders to ask questions and make further comments. Since no shareholder had any other questions, the Chairman then, expressed his appreciation to shareholders once again for sparing the time to attend the meeting on that day. Comments from this meeting will be taken into consideration because service is important in airline industry. He then declared the meeting closed.

At the close of AGM of shareholders, more shareholders came to register and the total shareholders present at the meeting and those attended by proxy added up to 259 and 707 respectively, with grand total of 966, holding a total of 1,782,072,692 shares or equaled 84.8606% of all paid up shares.

**The meeting was adjourned at 16.40 hours.**

(signed) Air Chief Marshal -Kaset Rochananil- Chairman  
(Kaset Rochananil)

Certified correctness by

(signed) -Tresarun Sitakalin- Company Secretary  
(Ms. Tresarun Sitakalin)

(signed) -Danusorn Choocherdwattanasak - Recorder of the minutes  
(Mr. Danusorn Choocherdwattanasak)