



ASIA'S BOUTIQUE AIRLINE

# 56-1 ONE REPORT

ANNUAL REPORT 2022  
Bangkok Airways Public  
Company Limited



A SUSTAINABLE GROWTH  
IS OUR PRIORITY





ASIA'S BOUTIQUE AIRLINE

# Content

## Business and Operations

06 Message from Chief Executive Officer and President 2022

08 Summary Consolidated Financial and Ratio

09 Corporate Structure of the Company

10 Our Subsidiary and Associated companies

12 Board of Directors and Executives

14 Board of Directors and Executives History

28 Policy and Business Overview

31 History and Corporate Milestone

64 Marketing and Competition

70 The Risk Management

81 Sustainable business drive

106 Management's Discussion and Analysis

118 General Information and Dispute



## Corporate Governance

- 120 Corporate Governance
- 124 Company Organization Chart
- 125 Management Structure
- 141 Annual Change of the Directors and Management's holding
- 143 Capital Structure
- 153 Anti-Corruption Policy
- 155 Audit Committee Report
- 157 Corporate Governance Committee Report

158 Nomination and Remuneration Committee Report

160 Internal control

171 Related Parties Transaction

## Financial Statement

180 Statement of financial position

185 Consolidated financial statements

## Attachment

284 Statement of financial position

286 Bangkok Airways Office

# Airways Bangkok

On path to sustainable  
development



**1998**

## Sukhothai Airport

The company started construction of Sukhothai Airport, its second airport, located at Ampur Sawankaloke in Sukhothal Province.

**1989**

## Samui Airport

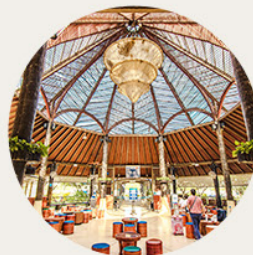
The company started construction of its first airport in Koh Samui. This is the first page that opened Koh Samui as a premier international tourist destination. Permission was granted to the Company to operate first flight on route Bangkok-Koh Samui and to use PG as IATA airline code.



**1968**

## Starting Point

Mr. Prasert Prasarttong-Osoth founded Krungthep Sahakol Co., Ltd. and set up Airline Section in the Company.



**1984**

## Sahakol Air

Sahakol Air Co., Ltd. was established to transfer business from Airline Section in Krungthep Sahakol Co., Ltd. later to become Bangkok Airways Co. Ltd.

**1986**

## Bangkok

The Company started to operate scheduled flights under Ban banner and on 20 January 1986 to operate inaugural flights on three routes, Bangkok-Nakor Rajsima, Bangkok-Surin and Bangkok-Krabl, using 18-seat Bandeirante EMB-110.



## 2006 Trat Airport.

Transfer operation to Suvarnabhumi Airport.  
The Company started construction of Trat Airport, its third airport, in Trat Province, transferred operation base to Suvarnabhumi and expanded business to include related ground services companies namely

## 2002 Member of IATA

To become an active member of IATA means the Company has achieved safety standard of commercial airline under IATA Operational Safety Audit (IOSA)



## 2007 Royal Garuda

Emblem 2007  
On 9 April 2007 the Company was most proud and honored to receive the Royal Garuda Emblem which enhanced staff morale and brought great pride



## 2013 Public Company Limited

On 27 February 2013, the company was listed in the Stock Exchange of Thailand as Bangkok Airways Public Company Limited using BA as stock code.



# Message from Chief Executive Officer and President 2022



A handwritten signature in black ink, appearing to read 'Kaset Rochananil', positioned above the printed name.

**Air Chief Marshal  
Kaset Rochananil**

Chairman

Bangkok Airways takes pride in our performance in 2022 for having received world-class honors, the Skytrax Awards 2022 as “World’s Best Regional Airline” and “Asia’s Best Regional Airline” for sixth consecutive years. It demonstrated the commitments by the Company to improve service quality in both in-flight and ground services, to provide a unique travel experience, under the highest safety and hygienic standards. Additionally, the Company’s airports also received Green Airport Awards presented by the Department of Environmental Quality Promotion, Samui Airport won very good level award while Trat Airport won a good level award. It shows that the airports under the Company’s management can efficiently manage resources and energy as well as being continuously responsible for the environment and society.

In terms of business, there were signals of improvement of tourism industry in Thailand and around the world. Many countries particularly those located in Europe have eased travel restrictions to encourage more people to travel. Bangkok Airways gradually resumed flight operations on domestic and international routes to meet the demand for travel by tourists as well.

For associated companies such as Bangkok Flight Services and Bangkok Air Catering, results of performance started to improve in the same direction as the increasing travel trend.

In addition, the Company established BA Airport Leasehold Real Estate Investment Trust (BAREIT) on behalf of Bangkok REIT Management Company Limited under management of Bangkok Airways Holding Company Limited. The first day of securities trading was held on 14 September 2022. The main asset invested by the Trust is leasehold of Samui Airport for a period of 25 years. BAREIT is well received by investors who are confident in the operation of Samui Airport.



The Company has implemented organizational drive towards sustainability goals by adopting three concepts of ESG (Environment, Social and Governance), and taking into account three main areas of responsibilities, taking care of the environment, responsible for the society by effective management of relationship and communication with employees, suppliers, customers and stakeholders and responsibility in governance, ensuring the Company management is effective, transparent, accountable with consideration of stakeholders. The three ESG concepts created confidence in the business, reflecting the Company's responsibilities towards stakeholders, presenting result of business development with sustainable growth, in consistent with business operation context and continuous changes of social context, in readiness to promote long term growth potential of the Company.

On behalf of Board of Directors, Executives and all employees, I wish to express my appreciation to all customers, business partners and shareholders for their continued support and trust in operation of the Company and to reassure them that we are still committed to develop our services to provide satisfaction and highest safety standard to all our passengers while adhering to corporate governance principles in business operation. Board of Directors and all employees are ready to perform duties with dedication to make Bangkok Airways the leading airline according to our vision to strive for excellence.



A stylized, handwritten signature in black ink, consisting of a large, sweeping initial 'P' followed by several smaller, connected strokes.

**Mr. Puttipong  
Prasartong-Osoth**

Chief Executive Officer  
and President

**“To be the Best Airline in Asia.”**

## Summary Consolidated Financial and Ratio

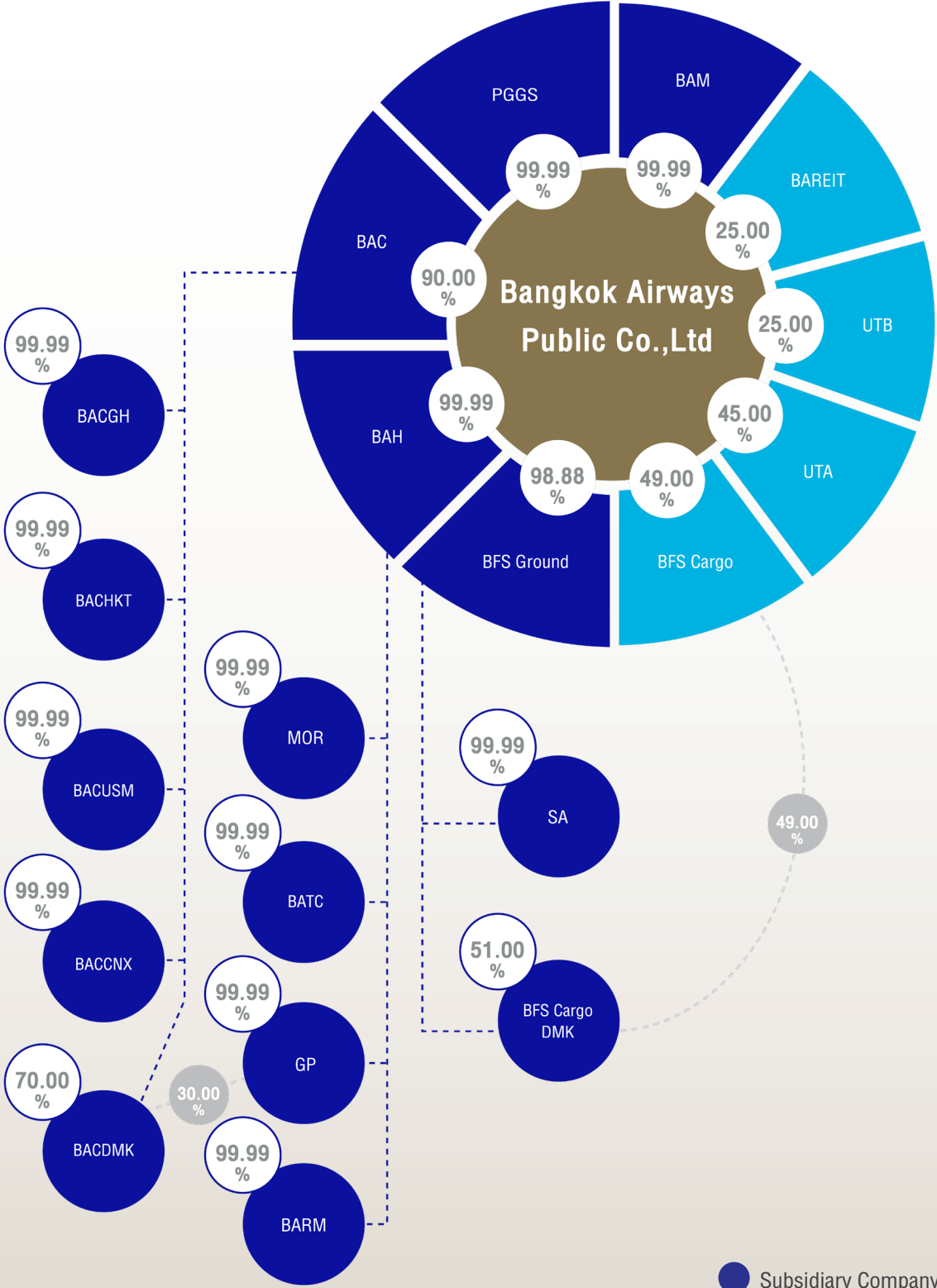
Unit: THB million

		2022	2021
<b>Statements of Financial Position</b>	Total Assets	62,246	48,939
	Total Liabilities	45,482	35,777
	Total Shareholder's Equity	16,764	13,162
<b>Statement of comprehensive Income</b>	Revenue from airline business	8,527	1,197
	Sales and service income	2,534	1,477
	Total Revenue	12,742	5,668
	EBITDAR	1,520	(1,294)
	Profit for the year	(2,126)	(8,600)
<b>Shareholder's Equity</b>	Registered and Paid up Shares (Million share)	2,100	2,100
	Book Value (Baht)	8.0	6.3
	Earnings Per Share (Baht)	(1.01)	(4.15)
	EBITDAR Margin (%)	12.4	(36.1)
	Net profit Margin (%)	(16.7)	(151.7)
<b>Leverage Ratio</b>	Debt to Equity (Time)	2.7	2.7

# Corporate Structure of the Company,

## our Subsidiaries and Associated companies

as of December 31, 2022



- Subsidiary Company
- Joint Venture Company

Remark: Shareholding proportion shown according to shareholders' account of each company

# Our Subsidiary and Associated companies

“We invested in subsidiary and associated companies. The summary of the investment structure of the Company in the subsidiary and associated companies are shown in the following table.”

Company		Core Business	Paid-up capital (THB million)
<b>Initial</b>			
<b>BAC</b>	Bangkok Air Catering Co., Ltd.	Catering service provider at Suvarnabhumi International Airport	500.00
<b>BACGH</b>	BAC Gourmet House Co., Ltd. <sup>(1)</sup>	Restaurant	150.00
<b>BACHKT</b>	Bangkok Air Catering Phuket Co., Ltd. <sup>(1)</sup>	Catering service provider at Phuket International Airport	100.00
<b>BACUSM</b>	Bangkok Air Catering Samui Co., Ltd. <sup>(1)</sup>	Catering service provider at Samui International Airport	20.00
<b>BACCNX</b>	Bangkok Air Catering Chiang Mai Co., Ltd. <sup>(1)</sup>	Catering service provider at Chiang Mai International Airport	10.00
<b>BACDMK</b>	Bangkok Air Catering Don Mueang Co., Ltd. <sup>(1)</sup>	Catering service provider at Don Mueang International Airport	20.00
<b>BFS Ground</b>	Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground service provider at Suvarnabhumi International Airport	670.00
<b>SA</b>	SA Services Co., Ltd. <sup>(2)</sup>	Ground service provider at the Don Mueang International Airport	1.00
<b>BFS Cargo DMK</b>	BFS Cargo DMK Co., Ltd. <sup>(2)</sup>	Cargo service provider at Don Mueang International Airport	25.00
<b>BAH</b>	Bangkok Airways Holding Co., Ltd	Holding Company	1,001.00
<b>GP</b>	Gourmet Primo Co., Ltd. (GP) <sup>(3)</sup>	Whole sale pre-cut fresh food	115.75
<b>MOR</b>	More Than Free Co., Ltd. <sup>(3)</sup>	Duty Free	20.00
<b>BATC</b>	Bangkok Air Aviation Training Center Co., Ltd. <sup>(3)</sup>	Aviation Training Center	50.00
<b>BARM</b>	Bangkok Reit Management Co., Ltd.	Trust Management Service	15.0
<b>BAM</b>	Bangkok Airport Management Co., Ltd.	Airport Manangement	250.1
<b>PGGS</b>	Bangkok Airways Ground Services Co. Ltd.	Ground service provider at Samui International Airport	0.25
<b>Initial</b>			
<b>BFS Cargo</b>	WFS-PG Cargo Co., Ltd.	Cargo service provider at Suvarnabhumi International Airport	300.00
<b>UTA</b>	U-Tapao International Aviation	Airport Business	4,500.00
<b>UTB</b>	UTB Co., Ltd.	Real estate Development	10.0
<b>BAREIT</b>	BA Airport Leasehold Real Estate Invesment Trust	Investing in the holding of a 25 years lease of Samui International Airport	10,330.00

Remark:

(1) Held by Bangkok Air Catering Co., Ltd.

(2) Held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.

(3) Held by Bangkok Airways Holding Co., Ltd.



# Board of Directors and Executives

Bangkok Airways Public Company Limited



Air Chief Marshal  
Kaset Rochananil



Mr. Puttipong  
Prasarttong-Osoth



Mr. Prasert  
Prasarttong-Osoth



Pol.Gen Visanu  
Prasattongsoth



Mr. Sripop  
Sarasas



Mr. Pradit  
Theekakul



Mr. Somboon  
Kittiyasub



Mr. Saharatna  
Benyakul



Mrs. Narumol  
Noi-Am



Mrs. Ariya  
Prasarttong-Osoth



Mr. Anawat  
Leelawatwatana

# Board of Directors and Executives History



## Air Chief Marshal Kaset Rochananil

Age 89 years

### Position

Chairman / Independent Director

### Date of Appointment as a Director

9 June 1998

### Education

- Bachelor Degree of Science, The Royal Thai Air Force Academy
- Diploma, National Defence College,  
The National Defence College (TNDC) Class 26

### Work Experience

1. Chairman, Thai airways PLC. (1989-1992)
2. Supreme Commander (April-July 1992)
3. Airforce Commander-in-Chief (1989-1992)

### Board Member/Management in Other Listed Company

-None-

### Position in Other Company/Organization/Institution

-None-

### Training Courses

-None-

### Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally: (None)
- Held by Spouse or Minor Children: (None)

### Family Relationship among Directors and Executives

-None-





# Mr. Puttipong Prasarttong-Osoth

Age 58 years

## Position

Director / Member of Executive Director / President / Chief Executive Officer

## Date of Appointment as a Director

24 June 1997

## Education

- Bachelor Degree of Accounting, Chulalongkorn University
- Diploma Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Diploma, National Defence College,  
The Joint State - Private Sector College Class 54

## Board Member/Management in Other Listed Company

1. Director, Bangkok Aviation Fuel Services PLC.
2. Director, Bangkok Dusit Medical Services PLC.

## Position in Other Company/Organization/ Institution :

1. Director, Bangkok Aviation Fuel Services PLC.
  2. Director, Bangkok Dusit Medical Services PLC.
- Position in Other Company/Organization/Institution :
1. Chairman, Bangkok Air Ground Services Co., Ltd.
  2. Chairman, Bangkok Air Catering Phuket Co., Ltd.
  3. Chairman, Bangkok Air Catering Samui Co., Ltd.
  4. Chairman, BAC Gourmet House Co., Ltd.
  5. Chairman, Gourmet Primo Co., Ltd.
  6. Chairman, Bangkok Air Catering Co., Ltd.
  7. Chairman, Bangkok Air Catering Chiangmai Co., Ltd.
  8. Chairman, WFS-PG Cargo Co., Ltd.
  9. Chairman, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
  10. Director, Bangkok Airways Holding Co., Ltd.
  11. Director, Bangkok Media and Broadcasting Co. Ltd.
  12. Director, The Sahakol Estate Co., Ltd.
  13. Director, Aeronautical Radio of Thailand Co., Ltd.
  14. Director, Fuel Pipeline Transportation Co., Ltd.
  15. Director, Samui Palm Beach Co. Ltd.

16. Director, Samui Palm Beach Royal Wing Co. Ltd.
17. Director, Samui Accom Company Co. Ltd.
18. Director, More Than Free Co. Ltd.
19. Director, U-Tapao International Aviation Co.,Ltd.
20. Director, Quality Delicious Co.,Ltd.
21. Director, Quality Delicious and Chef Man Co.,Ltd.
22. Director, Bangkok Airport Management Co.,Ltd.

## Training Courses

- Directors Accreditation Program (DAP) 100 / 2013 Thai Institute of Directors (IOD)
- Directors Certification Program (DCP) 241 / 2017 Thai Institute of Directors (IOD)
- Boards that Make a Difference (BMD) 9 / 2019 Thai Institute of Directors (IOD)

## Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally: (523,387,900)
- Held by Spouse or Minor Children: (800,000)

## Family Relationship among Directors and Executives

(Brother of Mrs. Ariya Prasarttong-Osoth and cousin of Pol.Gen. Visanu Prasattongosoth)



# Mr. Prasert Prasarttong-Osoth

Age 90 years

## Position

Director / Member of Executive Committee

## Date of Appointment as a Director

19 April 2021

## Education

- Bachelor of Medicine Degree, Siriraj Hospital, Mahidol University

## Board Member/Management in Other Listed Company

- Group Chief Executive Officer & President / Chairman of Executive Committee / Authorized Director, Bangkok Dusit Medical Services PCL.

## Position in Other Company/Organization/Institution

1. Director, Bangkok Media & Broadcasting Co., Ltd.
2. Director, The Sahakol Estate Co., Ltd.
3. Director, The Medic Pharma Co., Ltd.
4. Director, Prasatthong Osoth Co., Ltd.
5. Director, Bangkok Airport Management Co., Ltd.

## Training Courses

- Director Accreditation Program (DAP) / 2005

## Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally (222,777,500)
- Held by Spouse or Minor Children (250,000)

## Family Relationship among Directors and Executives

(Father of Mr. Puttipong Prasarttong-Osoth and Mrs. Ariya Prasarttong-Osoth and uncle of Pol.Gen Visanu Prasarttong-Osoth)

Preferred Seat

# Pol.Gen Visanu Prasattongsoth

Age 60 years

## Position

Director

## Date of Appointment as a Director

30 January 2003

## Education

- Bachelor Degree of Arts (Economics), Vanderbilt University, USA
- Master of Political Sciences, Sukhothai Thammathirat University
- MBA, University of San Francisco, USA
- Senior Executive Program, Capital Market Academy (CMA) Class 2
- Diploma, National Defence College,  
The National Defence College (TNDC) Class 53
- Federal Bureau Investigation (FBI) National



## Board Member/Management in Other Listed Company

1. Independent Director / Chairman of the Audit Committee Finasia Syrus Securities PCL.

## Position in Other Company/Organization/ Institution

1. Assistant Commission - General,  
Royal Thai Police
2. Director Thai Kodama Co., Ltd.

## Training Courses

- Director Accreditation Program (DAP) 11 / 2004 Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 7 / 2005 Thai Institute of Directors (IOD)
- Finance for Non-Finance Director (FND) 19 / 2005 Thai Institute of Directors (IOD)

- Corporate Governance for Capital Market Intermediaries (CGI) 3 / 2015 Thai Institute of Directors (IOD)
- Advance Audit Committee Program (AACP) 20 / 2015 Thai Institute of Directors (IOD)

## Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally: (300,000)
- Held by Spouse or Minor Children: (None)

## Family Relationship among Directors and Executives

(Nephew of Mr.Prasert Prasarttong-Osoth and cousin of Mr.Puttipong Prasarttong-Osoth and Mrs. Ariya Prasarttong-Osoth)

# Mr. Sripop Sarasas

Age 66 years

## Position

Director / Independent Director / Chairman of The Audit Committee/  
Chairman of the Nomination and Remuneration Committee

## Date of Appointment as a Director

26 February 2013

## Education

- Bachelor degree of Science Program in Medical Technology, Chulalongkorn University
- Master of MBA (Finance), University of Southern California , USA

## Board Member/Management in Other Listed Company

1. Director / Member of Nomination and Remuneration Committee / Member of Corporate Governance Committee / Member of Risk Management Committee / Chief Administrative Officer, Bangkok Dusit Medical Services PLC.
2. Independent Director / Member of the Nomination and Remuneration Committee / Member of the Audit Committee, Advanced Information Technology PCL.
4. Independent Director / Chairman of the Audit Committee Golden Lime PCL.
5. Independent Director / Chairman of the Audit Committee Kiattana Transport PCL.

## Position in Other Company/Organization/Institution

1. Director, Parute (2008) Co., Ltd.
2. Director, Khan Co., Ltd.
3. Director, BDMS Property Management Co., Ltd.
4. Director, BDMS Training Co., Ltd.
5. Director, Bangkok REIT Management Co.,Ltd.

## Training Courses

- Directors Certification Program (DCP) 22 / 2002 Thai Institute of Directors (IOD)
- Audit Committee Program (ACP) 1 / 2004 Thai Institute of Directors (IOD)
- Ethical Leadership (ELP) 23/2564 Thai Institute of Directors (IOD)

## Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally: (None)
- Held by Spouse or Minor Children: (None)

## Family Relationship among Directors and Executives

-None-



# Mr. Pradit Theekakul

Age 64 years

## Position

Director / Member of Executive Director / Executive Vice President –  
Corporate Administration and Corporate Portfolio

## Date of Appointment as a Director

24 July 1997

## Education

- Bachelor Degree of Law, Chulalongkorn University
- Bachelor Degree of Political Science, Ramkhamhaeng University
- The Thai Barrister



## Board Member/Management in Other Listed Company

1. Authorized Director / Executive Director / Executive advisor to CEO / Member of Risk Management Committee / Member of Corporate Governance Committee, Bangkok Dusit Medical Services PLC.
2. Director, Samitivej PCL.
3. Director, Thonburi Medical Centre PLC.

## Position in Other Company/Organization/ Institution

1. Chairman, A.N.B. Laboratories Co., Ltd.
2. Chairman, Bangkok Save Drug Co., Ltd.
3. Chairman, Save Drug Centre Co., Ltd.
4. Chairman, BDMS Training Co., Ltd.
5. Director, Prasitpatana PCL.
6. Director, Thai Medical Center PCL.
7. Director, Siam Medical Co., Ltd.
8. Director, BDMS Accounting Co., Ltd.
9. Director, BDMS Property Management Co., Ltd.
10. Director, BDMS Wellness Clinic Co., Ltd.
11. Director, BDMS Wellness Resort Co., Ltd.
12. Director, Paolo Medic Co., Ltd.
13. Director, Paolo Samutprakarn Co., Ltd.
14. Director, Phyathai 1 Hospital Co., Ltd.
15. Director, Phyathai 2 Hospital Co., Ltd.
16. Director, Phyathai 3 Hospital Co., Ltd.
17. Director, Sriracha Nakorn Hospital PLC.
18. Director, Bangkok Air Catering Co., Ltd.

19. Director, Bangkok Airways Holding Co., Ltd.
20. Director, Thai Petroleum Service Co., Ltd.
21. Director, Bangkok Golden Life Co., Ltd.
22. Director, Paradise Shopping Co., Ltd.
23. Director, National Healthcare Systems Co., Ltd.
24. Director, WFS-PG Cargo Co., Ltd.
25. Director, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
26. Director, The one enterprise Co., Ltd.
27. Director, The Sahakol Estate Co., Ltd.
28. Director, Bangkok Helicopter Services Co., Ltd.
29. Director, General Hospital Products PLC.
30. Director, Samui Palmbeach Resort Co., Ltd.
31. Director, U-Tapao International Aviation Co., Ltd.
32. Director, More Than Free Co., Ltd.
33. Director, Bangkok Airport Management Co., Ltd.

## Training Courses

- Directors Certification Program (DCP) 29 / 2003 Thai Institute of Directors (IOD)

## Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally: (9,000,000)
- Held by Spouse or Minor Children: (None)

## Family Relationship among Directors and Executives

-None-



## Mr. Saharatna Benyakul

Age 58 years

### Position

Director / Independent Director / Member of Audit Committee /  
Member of Corporate Governance Committee

### Date of Appointment as a Director

7 January 2015

### Education

- Bachelor degree of Public Administration, Chulalongkorn University
- Master of MBA Texas A&M International University, USA

### Board Member/Management in Other Listed Company

-None-

### Position in Other Company/Organization/Institution

-None-

### Training Courses

- Director Accreditation Program (DAP) 30 /  
2005 Thai Institute of Directors (IOD)
- Directors Certification Program (DCP) 131 /  
2010 Thai Institute of Directors (IOD)
- Corporate Governance for Capital Market Intermediaries (CGI) 18 /  
2017 Thai Institute of Directors (IOD)
- Boards that Make a Difference (BMD) 9 /  
2019 Thai Institute of Directors (IOD)
- Refreshment Training program (RFP7) Financial Reporting Cases:  
A monitoring Guide for Board Thai Institute of Directors (IOD)

### Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally: (None)
- Held by Spouse or Minor Children: (None)

### Family Relationship among Directors and Executives

-None-

Preferred Seat

# Mrs. Narumol Noi-Am

Age 65 years

## Position

Director

## Date of Appointment as a Director

25 December 2014

## Education

- Bachelor Degree of Economic (second class honors)  
Faculty of Economics, Chulalongkorn University
- Master of MBA (Banking and Finance) from North Texas State, USA



## Board Member/Management in Other Listed Company

1. Chief of Financial Officer,  
Bangkok Dusit Medical Service PCL.
2. Director, Samitivej PCL.

## Position in Other Company/Organization/ Institution

1. Chairman, Bangkok Health Insurance PLC.
2. Chairman, BDMS Accounting Co., Ltd.
3. Chairman, Bangkok Premier Insurance  
Broker Co., Ltd.
4. Director, Thai Listed Company Association
5. Director, Prasitpatana PCL.
6. Director, Sriracha Nakorn General Hospital PCL.
7. Director, Thai Medical Center PCL.
8. Director, Siam Medical Co., Ltd.
9. Director, Bangkok Pattaya Hospital Co., Ltd.
10. Director, Bangkok Phuket Hospital Co., Ltd.
11. Director, Bangkok Chiangmai Hospital Co., Ltd.
12. Director, Bangkok Chiangrai Hospital Co., Ltd.
13. Director, Phyathai 1 Hospitals Co., Ltd.
14. Director, Phyathai 2 Hospitals Co., Ltd.
15. Director, Phyathai 3 Hospitals Co., Ltd.
16. Director, Paolo Medic Co., Ltd.
17. Director, Paolo Samutprakan Co., Ltd.
18. Director, Bangkok Hospital Phuket  
International Co., Ltd.
19. Director, Phnom Penh Medical Services Co., Ltd.
20. Director, National Health care system Co., Ltd.
21. Director, Green line Synergy Co., Ltd.
22. Director, BDMS Wellness Clinic Co., Ltd.
23. Director, BDMS Wellness Resort Co., Ltd.
24. Director, Bangkok Media and  
Broadcasting Co. Ltd.

25. Director, U-Tapao International Aviation Co.,Ltd

## Training Courses

- Directors Certification Program (DCP) 107 /  
2008 Thai Institute of Directors (IOD)
- Successful Formulation & Execution of Strategy  
(SFE) 6 / 2010 Thai Institute of Directors (IOD)
- Senior Executives in Business and Industrial  
Development Class 3 Institute of Business and  
Industrial Development: IBID
- Leader Program Capital Market Academy Class  
15 by Capital Market Academy (CMA) The Stock  
Exchange of Thailand
- TLCA Leadership Development Program  
“Enhancing Competitiveness” by Thai listed  
Companies Association & IMD
- Advanced Certificate Course in Politics and  
Government in Democratic Systems for Executives,  
class 13 by King Prajadhipok’s Institute
- Financial Executive Development Program Class  
12 by the Thai Institute of Banking and Finance for  
Executives from financial institutions
- Applied International Management Program,  
Sweden by Government of Sweden
- Ethical Leadership (ELP) 24/2564 Thai Institute  
of Directors (IOD)

## Shareholdings (Ordinary Shares)

(as at March 10, 2022)

- Held Personally: (350,000)
- Held by Spouse or Minor Children: (50,000)

## Family Relationship among Directors and Executives

-None-



# Mr. Anawat Leelawatwatana

Age 56 years

## Position

Director / Member of Executive Director/ Senior Vice President-finance and accounting

## Date of Appointment as a Director

25 April 2016

## Education

- Bachelor degree of Science Program in Agronomy, Kasetsart University
- Master of MBA Cleveland State University, USA

## Board Member/Management in Other Listed Company

-None-

## Position in Other Company/Organization/Institution

1. Director, Bangkok Air Catering Co., Ltd.
2. Director, Bangkok Air Catering Phuket Co., Ltd.
3. Director, Bangkok Air Catering Samui Co., Ltd.
4. Director, Bangkok Air Catering Chiangmai Co., Ltd.
5. Director, BAC Gourmet House Co., Ltd.
6. Director, Gourmet Primo Co., Ltd.
7. Director, Bangkok Airways Holding Co., Ltd.  
Director Bangkok Media & Broadcasting Co., Ltd.
8. Director Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
9. Director, U-Tapao International Aviation Co.,Ltd.
10. Director, Bangkok Airport Management Co.,Ltd.
11. Director, Bangkok REIT Management Co.,Ltd.

## Training Courses

- Directors Certification Program (DCP) 50 / 2004 Thai Institute of Directors (IOD)
- Company Secretary Program (CSP) 60 / 2014 Thai Institute of Directors (IOD)
- Corporate Finance 1/2020 Federation of Accounting Professions

## Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally: (212,000)
- Held by Spouse or Minor Children: (None)

## Family Relationship among Directors and Executives

-None-



# Mrs. Ariya Prasarttong-Osoth

Age 56 years

## Position

Director / Member of Corporate Governance Committee /  
Member of Nomination and Remuneration

## Date of Appointment as a Director

25 April 2016

## Education

- Bachelor Degree of Management, Assumption Business Administration College
- Master of Marketing, National University, USA

## Board Member/Management in Other Listed Company

-None-

## Position in Other Company/Organization/Institution

1. Director, The Sahakol Estate Co., Ltd.
2. Director, Bangkok Air Tour (1998) Co., Ltd.
3. Director, Bangkok Travel Club Co., Ltd.
4. Director, Samui Palm Beach Resort Co., Ltd.
5. Director, Samui Palm Beach Royal Wing Co. Ltd.
6. Director, Samui Accom Co., Ltd.
7. Director, Fah Thai Holiday Co., Ltd.
8. Director, Paradise Shopping Co., Ltd.
9. Director, Richness and Wealthy Co.,Ltd

## Training Courses

- Directors Certification Program (DCP) 193 / 2014 Thai Institute of Directors (IOD)
- TLCA Executive Development Program, Thai Listed Companies Association
- Diploma, National Defence College, The National Defence Course Class 58
- Corporate Governance for Capital Market Intermediaries (CGI) 20 / 2018 Thai Institute of Directors (IOD)
- Board Matters and Trends (BMT) 6 / 2018 Thai Institute of Directors (IOD)

## Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally: (243,440,900)
- Held by Spouse or Minor Children: (None)

## Family Relationship among Directors and Executives

(Daughter of Mr.Prasert Prasarttong-Osoth and Sister of Mr. Puttipong Prasarttong-Osoth and cousin of Pol.Gen Visanu Prasarttong-Osoth)





## Mr. Somboon Kittiyasub

Age 64 years

### Position

Director / Independent Director / Member of Nomination and Remuneration / Chairman of Corporate Governance Committee / Member of Audit Committee

### Date of Appointment as a Director

25 April 2016

### Education

- Bachelor of Law Degree, Chulalongkorn University
- Master of Comparative Laws, The University of Laws, USA

### Board Member/Management in Other Listed Company

-None-

### Position in Other Company/Organization/Institution

1. Director, Somboon and Partner Co., Ltd.
2. Director, Advocate Holding Co., Ltd.
3. Director, Plenty Gourmets Holding Pty Ltd.
4. Director, The one enterprise Co., Ltd.
5. Director, Bangkok REIT Management Co.,Ltd.

### Training Courses

- Director Accreditation Program (DAP) 130 / 2016 Thai Institute of Directors (IOD)
- Corporate Governance for Capital Market Intermediaries (CGI) 18 / 2017 Thai Institute of Directors (IOD)
- Director Certification Program (DCP) 259 / 2018 Thai Institute of Directors (IOD)

### Shareholdings (Ordinary Shares) (as at March 10, 2022)

- Held Personally: (None)
- Held by Spouse or Minor Children: (None)

### Family Relationship among Directors and Executives

-None-

Preferred Seat



# Milestones Awards

since 2018 to 2022

2018



- Bangkok Airways Public Company Limited won the Top Ten Airline Overall – Worldwide and Top Ten Best in Cabin Service – Worldwide from the Smart Travel Asia
- Bangkok Airways Public Company Limited won the Travellers’ Choice Regional Carrier-Asia and Travellers’ Choice Economy Class-Asia 2018 from TripAdvisor Travellers’ Choice Awards for Airlines 2018
- Bangkok Airways Public Company Limited won the World’s Best Regional Airline and the Best Regional Airline in Asia from SKYTRAX World Airline Award 2018.
- Bangkok Airways Public Company Limited won the Best Boutique Airline 2018 by TTG Asia
- Bangkok Airways Public Company Limited won the Excellence in Management Awards” from Thailand’s Smart Awards 2018
- Bangkok Airways Public Company Limited has been rates 5th as the most punctual airline 2018 and has been ranked as the 2nd among Asia Pacific Airlines from the OAG Aviation Worldwide

2019



- Bangkok Airways Ranked 5th as Most Punctual Airline Globally from OAG Aviation Worldwide
- Bangkok Airways receives the commendation plaque “The Most Punctual Airline Asia Pacific Award (2nd place) from OAG
- Bangkok Airways wins “Travelers’ Choice Awards – Regional Airline Asia 2019” from TripAdvisor
- Bangkok Airways Awarded Super brands Thailand 2018
- Bangkok Airways wins 2 prestigious awards “World’s Best Regional Airline” and “Best Regional Airline in Asia” from Skytrax World Airline Awards 2019
- Bangkok Airways wins 2019 Smart Travel Asia Awards as Top 10 Best Cabin Service Worldwide in 2019

## 2020



- Thailand Best Employer Brand Awards 2020 (Airline & Aviation) from World HRD Congress.
- Bangkok Airways Public Company Limited won the World's Best Regional Airline and the Best Regional Airline in Asia from SKYTRAX World Airline Award 2020.

## 2021



- Bangkok Airways Public Company Limited won the World's Best Regional Airline and the Best Regional Airline in Asia from SKYTRAX World Airline Award 2021.
- The Bangkok Airways Public Company Limited received the annual Sustainability Disclosure Award year 2021 from the Thaipat Institute.

## 2022



- Bangkok Airways Public Company Limited won the World's Best Regional Airline and the Best Regional Airline in Asia from SKYTRAX World Airline Award 2022.
- Bangkok Airways Public Company Limited received two honorary awards under Green Airport Project in 2022 from Department of Environmental Quality Promotion, Samui Airport won a very good level award and Trat Airport won a good level award.
- The Bangkok Airways Public Company Limited received the annual Sustainability Disclosure Award year 2022 from the Thaipat Institute.
- Bangkok Airways has been ranked by the international airline ranking website. Airlineratings.com to be and airline with the highest 7-star flight safety standard.

# Policy and Business Overview

In 2022, The Company's Committee set The Company's vision and mission that is appropriate and relevant to The Company's business operation. Regularly, there's an annual revision to ensure that The Company's vision and mission are up-to-date and consistent with the current economic situation.

## Vision

Striving on excellence  
to become the best  
airline in Asia





## Mission

We are determined to become Asia's number one airline with our missions as in the followings.

1. Operational safety: Our safety mission is to continually maintain worldwide industry operational safety standards.
2. Maximizing shareholders' return on investment: Our profitability mission is to use our assets effectively in order to generate optimal and sustainable profits for all of our stakeholders.
3. We continued success depends on our customers and we promise to give them the best possible products and services available in the industry.
4. Our employees are our most important asset: we strive to have not only highly motivated staff but also the best and most productive employees in the industry.
5. Corporate accountability: We will continually adopt systems and procedures in our airline that will enhance corporate accountability, transparency and control.
6. We are proud to be a member of our community: We will increase responsibilities of good corporate citizens and continue to serve our community.

## Corporate Policy

### 1. Corporate Management

The Company is obliged to obtain a sound management system. Each delivery of service must be efficiently carried out according to designated development plans to enhance the Company's policy on safety, service quality, and security.

### 2. Human Resources

The Company promotes and develops on-the-job learning process by focusing on developing and managing corporate structure, improving work process, and heightening human resource capability.

### 3. Corporate Competitiveness

The Company creates differentiation in products and services by focusing on maximizing customer's satisfaction, strengthening route networks, expanding partnerships, efficient cost control by developing, revising, and improving quality of products and services on a regular basis.

### 4. Corporate Social Responsibility

The Company promotes and participates in social services and social responsibilities on a regular basis.





## History and Corporate Milestone

Mr. Prasert Prasarttong-Osoth began to endeavor into the airline business in 1968 as he established an airline department of a company, owned by him, named Krungthep Sahakol Co., Ltd. Until 1984, he founded “Sahakol Air” to take over the airline business which had been operating under the company which had later changed the name to “Bangkok Airways”.

We officially commenced scheduled passenger flight services in 1986 under our current name “Bangkok Airways”. In 1989, we completed construction of our first airport, located in Samui, an island in the Gulf of Thailand, which was beginning to be developed as an international tourist destination. We obtained an International Air Transport Association (“IATA”) code, “PG”, and commenced operations of our Samui Airport. In addition, we also received approval to fly our first route, Bangkok—Samui. In 1994, we became an IATA Clearing House member. In the same year, we added two ATR 72 to our fleet.

In 1998, we commenced operations of our second airport in Sukhothai. In 2000, we put our first Boeing

717-200 into operations. The Boeing 717-200 jet aircraft provided higher speeds and more seat capacity so we could increase capacity and reduce flight frequency. This also allowed us to expand our capacity on routes to and from Samui. In the same year, we commenced operations of our first hangar located in the Don Mueang International Airport. We also became a member of the IATA Billing and Settlement Plan (“BSP”). Being a member of the IATA BSP allows us to drive additional passenger sales and provides us with direct access to a distribution network of IATA. In 2002, we received full IATA membership which means that we upgraded our operations in adherence to the international commercial aviation standards under IATA Operational Safety Audit (“IOSA”), such membership entitles us to voting rights in respect of the fare adjustment process. In 2006, we commenced operations of our third airport in Trat.

As of 31 December 2022, the Company has a registered capital of 2,100,000,000 Baht, comprised ordinary shares of 2,100,000,000 shares, with a par value of 1 Baht per share, and the paid-up capital of 2,100,000,000 Baht.

## Policy and Business Operation Overview

As of 31 December 2022, we operated scheduled flights on 9 domestic routes covering major cultural and leisure destinations. Through our code-share and other cooperative arrangements, we are able to extend our reach to passengers originating from destinations including Europe, South Asia, the Middle East and Japan.

We operate from three principal hubs, the Suvarnabhumi International Airport in Bangkok, Chiang Mai International airport and Samui International Airport in Surat Thani, which we also own and operate.

We target markets that are less than a five-hour flight time from our hubs, which give us access to passengers travelling to and from Southeast Asia and South Asia. We believe that Thailand’s growing economy provides an attractive market in which we can increase passenger growth as an increasing proportion of the Thai population are able to access air transport. We also believe that our premium, quality services, strong culture of hospitality and access to unique cultural and leisure destinations differentiates us from other competing airlines.

## Route Network

We put emphasis on market development and route network expansion. We focus on increasing flight frequency and introducing new routes. At the same time, to maintain our market position and strengthen our route

network, we continuously seeks for new code share partners to reach out all target groups.

In order to serve our route network in the region and passenger's requirement of each route.

**Table presented number of aircraft as of end of Year 2021 and Year 2022**

	ATR 72-500	ATR 72-600	Airbus A319	Airbus A320	Total
2021	2	13	15	9	37
2022	1	13	13	8	35



## Flight Routes and Increased Flight Frequency

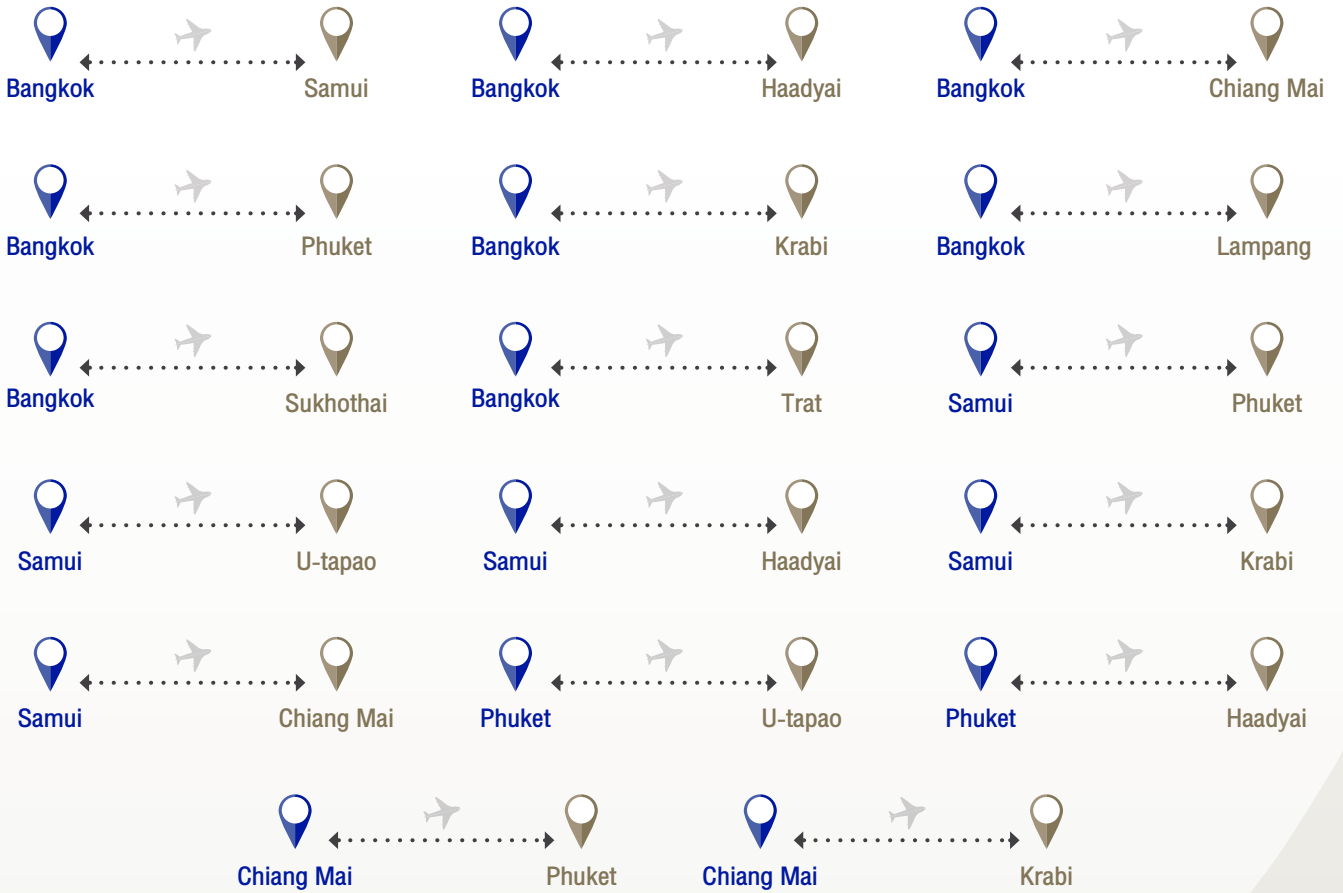
As the continual situation of COVID-19 pandemic from previous year has inevitable and unpredictable impact on tourism industry, the Company made an assessment and adjusted its business plan with consideration of internal and external aspects such as number of aircraft, cost of operation, government policies, requirements of aviation regulators etc. to ensure effectiveness and flexibility of operation according to the plan.

In 2022 when the situation of COVID-19 infection tended to improve continuously and the government

set policies to open the country to well come international tourists, the Company adjusted its business plan in consistent with changes of such situation.

Thus the Company managed flight routes and flight frequencies for each route as suitable, in consistent with passengers' demand for travel and current COVID -19 situation. Consequently flight operations on domestic and international routes have resumed. Flight routes and frequencies as on 31 December 2020, are as follows:

## Domestic routes



## International routes



## Product and Service Development



- **Passenger Lounge**

When the government lifted health protection measures and allowed airlines to offer food services in the passenger lounge once again, the Company began to provide the service at Bangkok station first, followed one by one at Samui Station, Phuket Station, Chiang Mai Station, Trat Station and Sukhothai Station. During initial period, individually wrapped food packages were served in a box, to maintain continuous standard of service and cleanliness in each station. When the health measures were relaxed in August, the Company was able to start offering meal services the same as in 2019, before the spread of COVID-19 infection.

- **Inflight Services**

In the middle of the year 2022, the Company once again provided full meal services and added special items occasionally such as Moon Cake for Full Moon Festival, Chocolate Fudge for Halloween and Bua Loy in Coconut Milk for Loy Kratong Festival etc.

Bangkok Airways has added “Sky Bites” a new item to in-flight service and in passenger lounge which is a healthy snack made from bananas, pumpkins, yams and potatoes grown locally in communities around the Company’s airports. By offering this item the Company helped to initiate and promote the country’s local business, and support operation process for corporate sustainability. The Company also maintained standard of cleanliness in the cabin, by conducting Aircraft Deep Cleaning at regular intervals.



# Cooperation with partner airlines

Although during the past year when COVID-19 infection has not yet been completely contained, the Company continued to coordinate normally with partner airlines in order to exchange news and movements

and be prepared to fully reconnect services with them at any time.

In 2022, there are altogether 27 airlines who entered code-share agreement with Bangkok Airways which are:

 **PR**  
Philippine Airlines

 **EK**  
Emirates

 **JL**  
Japan Airlines

 **QV**  
Laos Airlines

 **CI**  
China Airlines

 **AY**  
Finnair

 **WY**  
Oman Air

 **QF**  
Qantas Airways

 **MH**  
Malaysia Airlines

 **LY**  
El Al Israel Airlines

 **GA**  
Garuda Indonesia

 **KL**  
KLM Royal Dutch Airlines

 **VN**  
Vietnam Airlines

 **SU**  
Aeroflot


 **AF**  
Air France

 **HX**  
Hong Kong Airlines

 **CX**  
Cathay Pacific

 **BR**  
EVA Air

 **MF**  
Xiamen Airlines

 **BA**  
British Airways

 **TK**  
Turkish Airlines

 **TG**  
Thai Airways

 **EY**  
Etihad Airways

 **GF**  
Gulf Air

 **OS**  
Austrian Airlines

 **QR**  
Qatar Airways

By entering the code-share agreements, “the Company” aims to increase passenger volume into the flight network as well as expanding our international networks through partners in Europe, Asia, the Middle East, and Australia.



# Business Operations

## Revenue Structure of “The Company”, subsidiaries, and affiliated companies

Revenues from Core Businesses	2022		2021	
	Baht (Million)	Percentage	Baht (Million)	Percentage
Revenues from Airlines				
Passenger Revenue	8,403.3	65.9	1,157.2	20.4
Freight revenue	75.7	0.6	6.3	0.1
Charter flights and charter services revenue	47.8	0.4	33.4	0.6
<b>Total revenues from Airlines</b>	<b>8,526.8</b>	<b>66.9</b>	<b>1,196.9</b>	<b>21.1</b>
Revenues from Airport-related services				
Revenues from BFS Ground	1,425.0	11.2	1,039.6	18.3
Revenues from PGGS	56.3	0.4	18.1	0.3
Revenues from BAC	795.7	6.2	113.6	2.0
Others	257.4	2.0	305.6	5.4
<b>Total revenues from Airport-related services</b>	<b>2,534.4</b>	<b>19.9</b>	<b>1,476.9</b>	<b>26.0</b>
Revenues from Airports				
Passenger service charge	243.6	1.9	43.1	0.8
<b>Total revenues from Airports</b>	<b>243.6</b>	<b>1.9</b>	<b>43.1</b>	<b>0.8</b>
Other revenues				
Dividend income	516.8	4.1	826.8	14.6
Gain on Derivatives	1.3	7.2	529.4	9.3
Other income	919.1	11.3	1,595.4	28.2
	12,742.1	100.1	5,668.5	100.0
<b>Total other revenues</b>			<b>2,951.6</b>	<b>52.1</b>
<b>Total revenue</b>	<b>12,742.1</b>	<b>100.0</b>	<b>5,668.5</b>	<b>100.0</b>

# Products and services

Products and services of the Company can be divided into core businesses and segments as follow

## 1. Airline Passenger Services

- **Scheduled Flights**

We provide full-service scheduled flights in a premium level to both business and leisure travellers.

- **Route Network**

As of 31 December 2022, we operated a route network (“PG Route Network”) covering 22 scheduled destinations (excluding Bangkok) in 10 countries (including Thailand). Additionally, with destinations covered in our code-share arrangements extended our route network to cover 27

international destinations in 19 countries (excluding Thailand).

Our PG Route Network focuses on short-haul routes to airports around leisure and cultural destinations. Through our code-share and other cooperative arrangements (“Extended Route Network”) with other airlines, we are able to extend our reach to passengers originating from destinations including Europe, Asia, and Australia.

## Our International and Domestic Routes

“The map below illustrates our international and domestic routes as of December 31, 2022”

### Bangkok Airways Route Map



## Airline Cooperation Arrangements

Airline Cooperation Arrangements can be grouped in Interline Cooperation Agreement and Code Share Agreement.

These interline and code-share arrangements enable us to access broader international markets and serve additional long-distance passengers without operating our own long-distance international flights and having to invest in long-haul fleet. We believe that code-share arrangements are a cost-effective means to expand the scope of our passenger services and enhance our image in the international market.

Through our hubs at Suvarnabhumi International Airport and Samui International Airport, we are able to

provide efficient same airport transfer for passengers of our code-share and interline flights and to connect them to regional and domestic destinations that are part of our PG Route Network.

We have successfully established code-share arrangements with 27 international airlines. We typically seek code-share arrangements that would either increase our passenger traffic on our PG Route Network or add desirable destinations to our Extended Route Network. Our code-share arrangements enable us to access connecting passenger traffic from other airlines traveling from various international destinations in Europe, Asia, Australia and elsewhere.

## • Airline Operation

### 1. Our Fleet

As of 31 December 2022, we had an operating fleet of 35 passenger aircraft, with details shown in table below.

Aircraft Model	Total	Finance Lease	Operating Lease	Owned
Airbus A320	8	-	8	-
Airbus A319	13	-	13	-
ATR 72-500	1	-	-	1
ATR 72-600	13	13	-	-
<b>Total</b>	<b>35</b>	<b>13</b>	<b>21</b>	<b>1</b>



## 2. Route Planning

We focus on short-haul routes to airports in and around major leisure and cultural destinations, typically operating within a radius of up to 3,120 kilometers and a flight duration of up to five hours from our hubs at the Suvarnabhumi International Airport, the Samui Airport, and Chiang Mai Airport.

We cooperate with the DCA in seeking additional air traffic rights under new or existing air services agreements. Our ability to expand our route network and to increase frequency and capacity is subject to our ability to obtain sufficient traffic rights and time slots to these destinations. The principal factors considered in adding a new route to our existing route network or increasing the frequency of flights on an existing route are aircraft availability and projected passenger and cargo load factors, profitability of the route and contribution to traffic on other routes.

In our current route network strategy, we intend to focus more on network connecting traffic going through our Bangkok hub and our airports, particularly the Samui Airport. Additionally, we connect travellers through Chiang Mai, a gateway location for Northern Thailand. We have entered into code-share and other cooperative arrangements which are also key to our route network strategy, as they enable us to both extend our route network and to increase our passenger load with passengers connecting onto our flights from various international locations, including Europe, Asia, Australia, and other countries. In addition, we are able to reach passengers in China through our chartered flights. We actively monitor flights on our Extended Route Network to match the timing of our flights on our route network to maximize the number of connecting flights available to passengers connecting onto our flights. We also routinely monitor traffic on both our domestic and international routes, and adjust frequency and capacity from time to time to reflect peak travel season in the international markets and fluctuations in demand on these routes.

## 3. Flight Scheduling

Our network management team formulates flight schedules, based on market demand for various routes. Consistent with market demand and with IATA guidelines, we publish summer and winter flight schedules each year. The winter schedule runs from the last Sunday of October of the previous year to the last Saturday of March and the summer schedule runs from the last Sunday of March to the last Saturday of October each year. From time to time, we also vary the flight frequency and type of aircraft utilized on scheduled routes based on anticipated seasonal demand.

## 4. Flight Operations

Our operations control centre (“OCC”) located outside the Suvarnabhumi International Airport supervises and controls our flights in accordance with our flight operation schedules and relevant regulations of the authorities. Our OCC collects and analyses information relating to the projected payload, weather and airport conditions and aircraft status. Our OCC also approves flight dispatches and coordinates necessary ground service equipment and maintenance services for our aircraft. Our OCC monitors and tracks flights by air and ground radar displays, radio communications, the Air Communication Addressing and Reporting System and Air-to-Ground Data Link communications. In the event of irregularities, our OCC may adjust flight schedules, combine flights and, if necessary, cancel flights.



## 5. Our Flight Operation Hubs

- **Bangkok Flight Operation Hub and Facilities**

We believe that Bangkok enjoys a number of advantages as a hub. These advantages include its role as a gateway to Southeast Asia, the Mekong region, South Asia and Southern China, and its convenient location as a stopover on routes linking Europe to North Asia and both Europe and North Asia to destinations in Australia, New Zealand and Southeast Asia.

Our primary flight operation hub is based at the Suvarnabhumi International Airport, which is Thailand's principal international and largest airport in terms of the number of aircraft movements and passenger volume. The Airports of Thailand has deployed the Advance Passenger Processing System or APPS to prevent any international terrorist attacks as well as to heighten security within the airport to conform to the safety measurements issued by the International Civil Aviation Organization (ICAO)

Following our commencement of operations at the Suvarnabhumi International Airport, we transferred the bulk of our operations previously based at the Don Mueang International Airport, except our heavy maintenance services, to the Suvarnabhumi International Airport. We pay various rents, fees and charges to AOT at the Suvarnabhumi International Airport, including landing and parking charges, space rental and other charges, and concession fees for several revenue-generating activities in which we engage at the Suvarnabhumi International Airport through our subsidiary and associated companies.

We also lease a plot of land at the Don Mueang International Airport which we use for our maintenance services. Our maintenance facility comprises a hangar, a C-check maintenance facility and adjacent workshops servicing a broad range of equipment.





- **Samui Hub and Facilities**

We have built and developed the Samui International Airport which opened in 1989. Developed at an estimated cost of THB 800 million, the airport was officially opened on 25 April 1989 with a 1,800 meter runway. The airport served domestic flights, primarily to and from Bangkok.

In 1997, the Samui Airport was upgraded to allow for international flights, with the development of customs and immigration facilities, as well as new passenger terminals, which allowed for the operation of new routes to the airport, including services to international destinations.

In 2004, the airport began a THB 500 million expansion program that provided for six new terminals-four domestic and two international. In addition, the program provided for extension of the runway, to 2,100 meters. The development program was completed in 2007, providing airport capacity for 16,000 passengers a day. The program increased annual passenger capacity from 1.3 million to 6 million. Beginning October 1st, 2015; the Airports of Thailand has deployed the Advance Passenger Processing System or APPS to inspect passengers in order to prevent any international terrorist attacks as well as to heighten security within the airport to conform to the safety measurements issued by the International Civil Aviation Organization (ICAO) also Suvarnabhumi International Airport

The growth in the airport has coincided and facilitated the growth in popularity of Samui as a tourist destination. Samui has developed into a very popular destination for Europeans, Asians, and others.

With the 2,100 meter runway, we were able to increase the size of the aircraft it operated to the airport. The carrier currently operates a mix of A319s and ATR-72s at the airport. The Samui Airport is also open for other airlines

Samui International Airport has won several awards for its design and architecture, including an environmental impact assessment award for the use of locally produced palm leaves and a natural, open-air cooling system for the terminal buildings.

- **Chiang Mai Hub and Facilities**

We announced Chiang Mai Airport as our hub for the Northern Thailand region. Chiang Mai has becoming more popular for business and leisure purposes. We have observed high potential to develop tourism and create connecting traffic in this region for cultural tourism. We introduced four new route network creating Chiang Mai as the center in the Northern region for connecting traffic such as routes from Chiang Mai-Samui, Chiang Mai-Phuket, Chiang Mai-Krabi,

## 6. Chartered Passenger Services

Chartered passenger services enhance our aircraft utilization and revenues. We determine our charter flight arrangements in accordance with aircraft availability by primarily treating the scheduled passenger services as our first priority



## 7. Aircraft Maintenance

The Company owns and operates an aircraft maintenance hangar at Don Muang Airport. This facility, certified by The Civil Aviation Authority of Thailand (CAAT), provides maintenance and repair service to aircraft for some parts. Generally, airlines in Thailand don't own this type of facility. Therefore, apart from maintaining and repairing the aircraft parts including equipment used in flight operation of The Company, this hangar apparently gives The Company an edge over the other airlines who don't own a hangar themselves. This facility also helps leverage the country's aviation industry with a substantial cost reduction, as well as bringing in new technology to the industry.

Aircraft maintenance, both in line maintenance and base maintenance, is required to keep airworthiness of aircraft. This activity, including maintenance, repair, and overhaul (MRO); must only be operated by a company certified by The Civil Aviation Authority of Thailand (CAAT). The airworthiness of aircraft is taken very highly for passenger's safety. The efficient use and maintenance of our aircraft is a Preventive Maintenance Measure to

optimize utilization of our fleet properly, in consistence with the following key points.

- 7.1 Continuing Airworthiness Tasks
- 7.2 Maintenance program
- 7.3 Airworthiness Directive
- 7.4 Data for modification and repairs
- 7.5 Aircraft continuing airworthiness record system
- 7.6 Operator Technical Log System
- 7.7 Transfer of aircraft continuing airworthiness

Planning of schedules and cycles for maintenance of our aircraft varies depending on certain factors which includes age and type of aircraft, equipment and specifications determined by aircraft manufacturer. We conduct our maintenance services in compliance with maintenance module issued by the Civil Aviation Authority of Thailand (CAAT), IATA Operational Safety Audit (IOSA) and International Civil Aviation Organization (ICAO). We are certified by the International Organization for Standardization (ISO) for quality of performance and by Civil Aviation Authority of Thailand for standard of maintenance services.

Our aircraft maintenance checks involve light maintenance and line maintenance. These periodic inspections are conducted after either a certain period of time, aircraft operational cycle or period of flight hour, depending on type of aircraft and the manufacturer's specifications. Generally our aircraft maintenance check can be divided as follows:

1. Light maintenance which includes A Checks and B Checks

2. Line maintenance which includes C Checks and D Checks

3. Change of aircraft equipment according to its useful life  
Daily maintenance checks, which include visual testing and inspections of equipment and hygiene, fuel level and emergency equipment are conducted before and after each flight to ensure the aircraft are airworthy. In addition to the daily checks, we also perform A Checks, B Checks and D Checks to maintain our fleet as follows:

	Light Maintenance A checks / B checks	Line Maintenance C checks
Maintenance schedule ATR72-600	Every 750 hours	Every 5,000 hours
Maintenance schedule Airbus A319 and A320	Every 4 months or 750 flight hours or 750 cycles, which ever comes first	Every 24 months or 7,500 flight hours or 5,000 cycles which ever comes first
Maintenance station	ay or aircraft parking area	Hangar
Scope of inspection	<p>A check * includes lower checks i.e. Daily Check</p> <p>B check * includes detailed maintenance inspection for components and aircraft systems, requiring specific equipment and testing. * includes lower checks i.e. daily checks and A Check</p> <p>At present B Check had been incorporated into C Check and included in 6-year and 12-year checks</p>	<p>Includes lower checks i.e. Daily check, A Check and B check</p> <p>C check, 6-year check and 12-year check are line maintenance with specific management process and systematic control.</p>
Example MPD specified by aircraft manufacturer	<ul style="list-style-type: none"> <li>* General external inspection of aircraft structure for evidence of damage, deformation, corrosion or missing parts.</li> <li>* Check and test equipment i.e. turn control switches on/off</li> <li>* Check pressure of crew oxygen system</li> <li>* Operation check of emergency lights in the cabin</li> <li>* Operation check of hydraulic systems</li> </ul>	<ul style="list-style-type: none"> <li>• General internal inspection of aircraft structure and wirings. Seats removed to up cabin walls.</li> <li>• Check safety system of doors and emergency exits</li> <li>• Check aircraft strength and stability by testing for evidence of leaks in door seals</li> <li>• Check condition of pressure system</li> <li>• Test operation of DC and uninterrupted power system.</li> <li>• Operation check of Ramp air turbine deployment system</li> <li>• Operation check of flap asymmetry system</li> <li>* Operation check of flight control mechanism</li> </ul>

D Check (or Heavy Maintenance Check) is the most complicated, detailed, line maintenance, conducted every 6 years or 12 years involving detailed inspection of aircraft structure for any defects in aircraft parts, components or structure and non-destructive checks. D Check also includes inspection for traces of decay, abnormality of aircraft structure and other traces of damage which may require technical experts, using special equipment to deconstruct the components in order to carry out maintenance work. At present CAAT has granted permission for the Company to perform D Check and included it in Hangar License.

Other services such as maintenance of aircraft equipment and components, overhaul of aircraft engines and calibration are mostly outsourced to third party service providers. Only service providers which have gone through processes in compliance with the Company quality requirement are acceptable.

Through our lease agreements, we are able to rely on or enjoy the benefits of manufacturer's warranties and product support, granted through our lessors.

We maintain an inventory of rotatable and consumable spare parts at our maintenance facilities at Suvarnabhumi Airport, Don Muang Airport, Samui Airport and other airports

## 8. Privileges under BOI Certificates

### • Airline Operations

We have obtained BOI Certificates for airline operations under Investment Promotion Act B.E. 2520 (as amended). Tax privileges under the BOI Certificates include (i) corporate income tax exemption for net profit for a period of eight years from the date of first income derived from such activity; (ii) import duties exemption for machines; (iii) dividend tax exemption for each project throughout the period of corporate income tax exemption; and if we suffer losses from the operation of the relevant aircraft during the period of corporate income tax exemption, we are permitted to deduct such losses from the net profits incurred after the period of

corporate income tax exemption for a period of not exceeding five years, whereby we may choose to deduct such losses from the net profit of any one year or several years. Non-tax privileges include the permission to import skill non-Thai experts/technicians in amounts and period as deemed appropriate by the Thai Board of Investment (the "BOI").

As of December 31, 2022, we have obtained 10 BOI Certificates under which the corporate income tax exemption for 37 aircraft of which 26 aircraft has been utilized under BOI certificates. The remaining BOI Certificates allow us to exercise tax exemption for 2 aircraft.

## 2 Airport-related Businesses

Apart from airline services and airport services, we also provide airport-related services including cargo terminal services, ground and passenger services and

in-flight catering services to our flights and those of other airlines through our subsidiaries and associated companies as follows:

Company	Shareholding percentage	Relationship with the Company	Business Operations
BFS Ground	98.88	subsidiary	provides passenger services and ground support equipment services
BAC	90.0	subsidiary	provides in-flight catering services
BFS Cargo	49.0	Associated company	provides international cargo terminal services

- **Ground Services**

Our ground services include passenger services and ground support equipment services. At the Suvarnabhumi International Airport, BFS Ground provides ground support equipment services on a contract basis for other airlines. Worldwide Flight Services Holding S.A. (“WFS”) provides certain services to BFS Ground, which include monitoring and evaluating the quality of the operational services, marketing the services and facilities of BFS Ground, developing controls and best practice for operating costs, maintaining and administering all agreements of BFS Ground, including the Ground Project Agreement, and assisting in procuring relevant industry certification.

The AOT granted BFS Ground the right to operate ground equipment and ramp services under a build transfer-operate project agreement for a period of 20 years, commencing from September 28, 2006. BFS Ground’s principal competitor for its ground services is Thai Airways.



## 1. Passenger Services

BFS Ground provides a wide range of passenger services for airlines, scheduled flights, charter flights and private jets at the Suvarnabhumi International Airport. Passenger services include check-in and ticketing service, boarding service, baggage handling and interline baggage handling.

BFS Ground provides ramp and passenger services to over 60 other airlines at the Suvarnabhumi International Airport. BFS Ground's passenger service contracts are typically for terms of two to three years, and are denominated in Thai Baht. As of December 31st ,2022, BFS Ground had over 40 air operators as clients

## 2. Ground Support Equipment Services

BFS Ground provides Ramp Service and Ground Handling Service to airlines operating in and out of Suvarnabhumi Airport including scheduled flights, charter flights, and private jets. These services consist of shuttle bus service for passengers, air crews, and baggage; aircraft reloading and unloading service; aircraft towing service; passenger stairs service, interior aircraft cleaning service, Air Conditioning Unit (ACU), Ground Power Unit (GPU), water supply unit, ground equipment maintenance service, and flight operations information service, etc

BFS Ground provides Ramp Service and Ground Handling Service to more than 90 airlines at Suvarnabhumi Airport. In general, the Ramp Service and the Ground Handling Service are engaged in two to three-year contracts with the service fee charged in Thai Baht. As of December 31st ,2022, BFS Ground had over 60 air operators as clients

BFS Ground is a service provider that is certified by the International Air Transport Association (IATA) Safety Audit for Ground Operations (ISAGO), the Occupation Health and Safety Management System-ISO 45001:2018 and Quality Management System- ISO9001:2015,









- **Cargo Services**

BFS Cargo who provides international cargo service at Suvarnabhumi Airport; has commissioned WFS, a worldwide ground handling and cargo service provider for airlines around the world; to manage and operate the cargo warehouse by controlling quality, evaluating the overall performance including service operations, marketing operations, and cost-effectiveness operation development. These are aimed to ensure that BFS Cargo follows all contractual commitments and the Cargo service contract, as well as to provide guidance and assistance in cargo warehouse operation to be in line with the international standard and being certified in a relevant industry.

BFS Cargo won a 20-year concession from AOT on a cargo operation contract from September 28th, 2006; the date when Suvarnabhumi Airport was officially open. This allowed BFS Cargo to start providing service following the cargo operation contract on international air cargo at Suvarnabhumi Airport.

BFS Cargo’s facilities enable it to handle premium cargo, including perishable goods and valuable cargo, in respect of which it is able to earn higher margins. Security in BFS Cargo’s facilities is important to BFS Cargo. BFS Cargo has installed 165 closed circuit televisions located throughout its facilities, and in the areas where BFS Cargo stores high value cargo, BFS Cargo’s facilities are equipped with static cameras. BFS Cargo also has x-ray machines to screen for explosives and has outsourced aviation trained security personnel.

BFS Cargo is certified its security standard by the Transported Asset Protection Association (TAPA-FSR-2017), quality Management System as in ISO 9001:2015. BFS Cargo was the first and only IATA (International Air Transport Association) Safety Audit for Ground Operations (“ISAGO”) and the Occupational Health and Safety Management System ISO 45001:2018). It also plays a role as a regulated agent 3 which refers to the third country cargo service provider who’s been audited and approved in the standard of EU flight operation and is also certified as a Regulated Agent Certificate from the Civil Aviation Authority of Thailand (CAAT).

BFS Cargo’s cargo terminal is a 55,370 square meter facility at the Suvarnabhumi International Airport. Within BFS Cargo’s facilities, it has a 39,744 square meter cargo warehouse and 15,626 square meter office space. The warehouse area consists of a 2,500 square meter cold storage area, a secured storage area with an enclosed steel vault and biometric access control for valuables, a dedicated ventilated area for livestock and storage for hazardous cargo. The capacity of BFS Cargo’s cargo facility is 523,000 tons per annum

	As of December 31, 2022	
	2022	2021
Weight of handled cargo (Ton)	431,465	477,837
cargo tonnage (Ton per year) <sup>(1)</sup>	523,000	523,000
Utilization (percentage)	82.50	91.36

On December 31st, 2022; BFS Cargo had more than 50 clients under two to three-year contracts and the service fee is charged in Thai Baht. BFS Cargo one

of the two cargo service providers at the Suvarnabhumi International Airport which the other provider is Thai Airways International.

- **In-Flight Catering**

BAC, provides in-flight catering for passengers on our own flights as well as for passengers on other airlines. The AOT granted BAC the right to operate in-flight catering services under a build transfer-operate project agreement dated (the “Catering Project Agreement”) for a period of 20 years commencing from September 28, 2006.

Bangkok Air Catering’s facility is located at Suvarnabhumi Airport with a size of approximately 20,000 sq.m. It is divided into a 10,000-sq.m. area for Halal meals preparation; 3,000-sq.m. area for general meals preparation, and 400 more square meters for Kosher meals preparation. BAC is capable of producing meals for all flights of The Company as well as other airlines including charter flights as in the following details.

	As of December 31, 2022	
	2022	2021
Amount of produced and uplifted meals for our flights (million meals)	1.40	0.24
Amount of produced and uplifted meals for other airlines (million meals)	1.85	0.38
Average of produced and uplifted meals (meal)	8,912	1,684



BAC produces all meals in international standards namely the Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP) global standards. In addition, BAC is also Halal certified by the Central Islamic of Thailand and Kosher certified by the Thai Kashrut Services Ltd.

Apart from “the Company”, BAC now serves 26 airline clients with contracts typically for terms of one to three years. Such contracts are mostly priced in Thai Baht. Besides the in-flight catering service, BAC also provides meals and refreshments at The Company’s passenger lounge, both in Business and Economic Class, as well as the Business Class Lounges for the other airlines at Suvarnabhumi international Airport.

BAC is among three other in-flight catering service providers at Suvarnabhumi international Airport which are namely Thai Airways International Public Company Limited, and LSG Sky Chefs Co., Ltd.

In 2021, aviation businesses had been heavily affected by the COVID-19 pandemic, “the Company” which produces meals for airlines was also affected, as can be seen from 2021 meals production statistics above. However, public health authorities predicted that COVID-19 omicron variant will be categorized as endemic within this year. In that case, the company is confident that the business will return to normal with more positive growth when the situation is resolved.

### 3. Airport Businesses

The company owns and operates three airports namely Samui Airport, Trat Airport and Sukhothai Airport.

#### Samui Airport

The Samui Airport is our most important airport in terms of passenger traffic and contribution to income. We commenced operations at the Samui Airport in 1989 as the only privately-owned public airport in Thailand. We commenced operations with the Samui Airport Incorporation License.

In 2005, the Samui Airport expansion was completed in order to increase the passenger capacity accommodation. In 2022, Samui Airport recorded 1.3 hundred thousand passengers in and out and over 15,000 flights.

The Samui Airport operates 16 hours a day. The total area of the airport's premises is approximately 600 rai. The airport has one operating runway, with a length of 2,060 meters. The Samui airport has four taxiways with an area of approximately 28,000 square meters. The airport can accommodate ATR, Airbus and Boeing aircraft, as well as business and private jets.

The airport has six terminals, which cover an area of 12,113 square meters, of which 1,939 square meters is commercial space. Within the arrival terminal, there are eight immigration officers on duty for 16 hours a day. Since August 2015, The Airport has provided more convenience to passengers by adding 10 common-use self-service (CUSS) kiosks at departure terminal. In November 2006, we leased the assets of the Samui Airport to the Samui Property Fund for a period of 30 years from November 24, 2006 in accordance with the terms of the Long-Term Lease Agreement. Under the Long-Term Lease Agreement, we have agreed to, at our expense, among others, maintain the general environment of the Samui Airport and perform required marketing activities.

The Company continues to act as the operator of the Samui Airport in accordance with the terms and conditions under the Sub-lease Agreement and the service agreement dated November 24, 2006 (the "Service

Agreement"). Under the Sub-lease Agreement, the Samui Property Fund sub-leased the Samui Airport to us for a three year term, renewable for up to nine additional three year terms upon agreement by both parties. Accordingly, we have the ability to sub-lease the Samui Airport for aggregate term of not exceeding 30 years. Under the Service Agreement, the Company agrees to provide services relating to equipment, machinery and other systems (such as equipment for maintenance of runway, communication system and other systems) in the Samui Airport to the Samui Property Fund for a period of 30 years from the date of the Service Agreement. The Company also agrees to pay to the Samui Property Fund, (i) rent in an amount of THB26.1 million per month and (ii) a service fee, which consists of a fixed service fee in the amount of THB21.4 million and a variable service fee in an amount calculated based on the formula specified in the Service Agreement. Such formula is based on several factors, including the number of the departing passengers and the aircraft (excluding the rent of commercial areas within the Samui Airport).

Major revenues of the Samui Airport are obtained from passenger service charges, aircraft landing fee, aircraft parking fee and ground handling services fee charged to other airlines operating at the airport, and the rent of commercial areas within the Samui Airport.

Since we granted PGGGS the right to provide ground services for other airlines at the Samui Airport, revenues from ground service charges provided to other airlines will not be directly paid to us. Instead, we obtain revenue from granting PGGGS such rights. A substantial portion of our revenue from the Samui Airport operation will be paid to the Samui Property Fund as rent, fixed service fee and variable service fee and they will in turn be paid to us as dividend income because we hold a 25.0% ownership interest in the Samui Property Fund.



# SAMUI AIRPORT



- **Trat Airport**

Trat Airport was open in 2003 under the Trat Airport Incorporation License which is valid until March 14, 2026. It's located 387 kilometers east of Bangkok. Trat province is a border town between Thailand and Cambodia. Bangkok Airways is the only operator on this route. The airport premise has an area of approximately 1,300 rai. It has one operating runway with a length of 1,800 meters.

Trat Airport is among the three airports that belong to Bangkok Airways Public Company Limited. It's open for Bangkok Airways and other flights as well. The airport's ICAO Airport Reference Code is 4C. The runway is

asphaltic concrete with a length of 1,800 meters, width of 45 meters, and the runway's outer area as specified by the standard of the ICAO (International Civil Aviation Organization). Trat Airport is open for service from 06.00 hrs. to 19.00 hrs. Presently, Trat Airport has the immigration and customs services in place. The landing fee at Trat Airport is priced according to the announcement of the Civil Aviation Authority of Thailand. The air traffic control service is available during the operating hours of the airport.

In 2022, Trat Airport recorded 42 thousand passengers in and out and over 900 flights.

- **Sukhothai Airport**

We commenced operations at the Sukhothai Airport in 1998. Sukhothai is located 440 kilometers north of Bangkok. Approximately 600,000 people live in the town. Old Sukhothai, which is located 12 kilometers west, has been a UNESCO World Heritage site since 1991.

The Sukhothai Airport operates 12 hours. The total area of the airport's premises granted in a license is approximately 1,018 rai. The airport has one operating

runway with a length of 2,100 meters, one taxiway occupying an area of 3,870 square meters. The Sukhothai Airport has two operative aprons, with an area of approximately 9,975 square meters. The airport has two terminals which cover an area of 1,026 square meters, of which 784 square meters is commercial space.

In 2022, Sukhothai Airport recorded 41 thousand passengers in and out and over 900 flights.



# Assets Used in Business Operations

## Land and Main Buildings

### The Company

Land and main buildings that the Company has ownership, right in possession or leasehold rights located in Thailand used for the purpose of operating its business in various locations are as follows:

Key features of the main fixed assets	Type of ownership	Accounting value (million baht) As of 31 December 2022	Collateral burden
Bangkok Airways PCL HDQ 20 -storey Building located at Vibhavadirangsit Rd Chatuchak District Bangkok	The Company has ownership in land and buildings	193.4	Mortgaged as collateral with financial institutions in the amount of mortgages of 2,000 million baht
Bangkok Airways PCL (Thub Suwan) 4-storey Building located at Bang-pli District Samutprakarn	The Company has ownership in land and leasehold rights in some of buildings and land	212.0	Burden free
Bangkok Airways Hangar located at Sanambin Don mueang Vibhavadirangsit RD Bangkok	The Company has leasehold rights in land and buildings	3.0	None
Samui Airport located at Koh Samui District Suratthani	The Company has ownership in buildings aond some of land and leasehold rights in some of buildings and land	1,547.5	Mortgaged as collateral with financial institutions in the amount of mortgages of 13,000 million baht
Sukhothai Airport located at Sawankhalok District Sukhothai	The Company has ownership in buildings and land and leasehold rights in some of land	515.7	Burden free
Trat Airport located at Khao Saming District Trat	The Company has ownership in some of land and ownership in buildings and possessory right in some land	758.6	Burden free



Bangkok Air Catering Co., Ltd. (BAC)

Key features of the main fixed assets	Type of ownership	Accounting value (million baht) as of 31 December 2022	burden
Fixed assets and right-to-use assets for building and improvement of building and kitchen equipment	The Company has the right to use building and the improvement of building (according	51	None

Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.

Key features of the main fixed assets	Type of ownership	Accounting value (million baht) as of 31 December 2022	burden
Fixed assets and right-to-use assets for building and improvement of building	The Company has the right to use building and the improvement of building (according to the lease contract)	276.1	None
Machinery and equipment for operations	The Company has ownership	414	None

## Trademarks, servicemarks and copyright

### The Company






The following table shows the Company's trademarks and products that use the said marks







No.	Trademark	Product	Expiry date
1		<ul style="list-style-type: none"> <li>• Postcard</li> </ul>	9 October 2027
2		<ul style="list-style-type: none"> <li>• Clock/Watch, keychain made from valuable metal</li> </ul>	9 October 2027
3		<ul style="list-style-type: none"> <li>• Clothes (except underwear and sportswear)</li> <li>• Jacket</li> <li>• Cap</li> </ul>	9 October 2027
4		<ul style="list-style-type: none"> <li>• Batik fabric</li> </ul>	9 October 2027
5		<ul style="list-style-type: none"> <li>• Brooch</li> </ul>	9 October 2027
6		<ul style="list-style-type: none"> <li>• Cosmetic bag</li> <li>• Multi-purpose bag</li> <li>• Passport bag</li> <li>• Waistpack</li> <li>• Leather envelope</li> <li>• UV sun umbrella</li> </ul>	9 October 2027
7		<ul style="list-style-type: none"> <li>• Magazine</li> </ul>	22 April 2028
8		<ul style="list-style-type: none"> <li>• Plant</li> <li>• Natural flower</li> </ul>	1 September 2023

The following table shows the Company's trademarks and products that use the said marks registered in Cambodia

No.	Trademark	Product	Expiry date
1		<ul style="list-style-type: none"> <li>• Pocket watch</li> <li>• Chronograph watch</li> <li>• Watch box</li> <li>• Keychain (decorative items or for car remote control)</li> <li>• Coin</li> <li>• Pin (Neck tie)</li> <li>• Tie clip</li> <li>• Tie pin</li> <li>• Souvenir coin (copper)</li> <li>• Wrist watch</li> </ul>	17 July 2032
2		<ul style="list-style-type: none"> <li>• Card box (notepad)</li> <li>• Handbag</li> <li>• Men's wallet</li> <li>• Ladies' purse</li> <li>• Travel bag/suitcase</li> <li>• Umbrella</li> </ul>	17 July 2032
3		<ul style="list-style-type: none"> <li>• Pocket watch</li> <li>• Chronograph watch</li> <li>• Watch box</li> <li>• Keychain (decorative items or for car remote control)</li> <li>• Coin</li> <li>• Pin (Neck tie)</li> <li>• Tie clip</li> <li>• Tie pin</li> <li>• Souvenir coin (copper)</li> <li>• Wrist watch</li> </ul>	17 July 2032
4		<ul style="list-style-type: none"> <li>• Card box (notepad)</li> <li>• Handbag</li> <li>• Men's wallet</li> <li>• Ladies' purse</li> <li>• Travel bag/suitcase</li> <li>• Umbrella</li> </ul>	17 July 2032
5		<ul style="list-style-type: none"> <li>• Pocket watch</li> <li>• Chronograph watch</li> <li>• Watch box</li> <li>• Keychain (decorative items or for car remote control)</li> <li>• Coin</li> <li>• Pin (Neck tie)</li> <li>• Tie clip</li> <li>• Tie pin</li> <li>• Souvenir coin (copper)</li> <li>• Wrist watch</li> </ul>	17 July 2032
6		<ul style="list-style-type: none"> <li>• Card box (notepad)</li> <li>• Handbag</li> <li>• Men's wallet</li> <li>• Ladies' purse</li> <li>• Travel bag/suitcase</li> </ul>	17 July 2032


The following table shows the Company's servicemarks and products that use the said marks

No.	Servicemarks	Service	Expiry date
1		<ul style="list-style-type: none"> <li>• Air transport</li> <li>• Land transport</li> <li>• Water transport</li> <li>• Ship transport</li> <li>• Passenger transport</li> <li>• Bus transport</li> <li>• Sight seeing service</li> <li>• Travel service</li> <li>• Parking service</li> <li>• Goods transport</li> <li>• Ticket booking</li> <li>• Mail and parcel delivery</li> <li>• Newspaper delivery</li> <li>• Visitor care</li> <li>• Vehicle parking space rental service</li> <li>• Vehicle rental</li> <li>• Aircraft hangar rental</li> </ul>	9 October 2027
2		<ul style="list-style-type: none"> <li>• Air transport</li> <li>• Land transport</li> <li>• Maritime transport</li> <li>• Ship transport</li> <li>• Passenger transport</li> <li>• Bus transport</li> <li>• Sight seeing service</li> <li>• Travel service</li> <li>• Parking service</li> <li>• Goods transport</li> <li>• Ticket booking</li> <li>• Mail and parcel delivery</li> <li>• Newspaper delivery</li> <li>• Visitor care</li> <li>• Vehicle parking space rental service</li> <li>• Vehicle rental</li> <li>• Aircraft hangar rental</li> </ul>	13 May 2031
3		<ul style="list-style-type: none"> <li>• Bus transport</li> <li>• Passenger transport</li> <li>• Warehouse</li> <li>• Ticket sales</li> <li>• Tavel booking</li> <li>• Travel information</li> </ul>	1 September 2023
4		<ul style="list-style-type: none"> <li>• Food and Beverage supplies</li> </ul>	1 September 2023
5		<ul style="list-style-type: none"> <li>• Museum exhibit</li> </ul>	1 September 2023

No.	Servicemarks	Service	Expiry date
6		<ul style="list-style-type: none"> <li>• Food and beverage supplies</li> <li>• Restaurant</li> </ul>	1 September 2023
7		<ul style="list-style-type: none"> <li>• Bus transport</li> <li>• Passenger transport</li> <li>• Warehouse</li> <li>• Ticket sales</li> <li>• Tavel booking</li> <li>• Travel information</li> </ul>	1 September 2023
8		<ul style="list-style-type: none"> <li>• Air transport</li> <li>• Passenger transport</li> <li>• Ticket sales, travel service</li> <li>• Tavel booking</li> <li>• Travel information</li> </ul>	16 September 2023
9		<ul style="list-style-type: none"> <li>• Passenger transport</li> <li>• Store Goods</li> <li>• Tavel booking</li> <li>• Food &amp; Beverage service</li> <li>• Accomodation arrangement</li> </ul>	16 June 2033
10		<ul style="list-style-type: none"> <li>• Passenger transport</li> <li>• Store Goods</li> <li>• Tavel booking</li> <li>• Food &amp; Beverage service</li> <li>• Accomodation arrangement</li> </ul>	16 June 2033
11		<ul style="list-style-type: none"> <li>• Passenger transport</li> <li>• Store Goods</li> <li>• Tavel booking</li> <li>• Food &amp; Beverage service</li> <li>• Accomodation arrangement</li> </ul>	16 June 2033

The following table shows the Company's servicemarks and products that use the said marks registered in Cambodia

No.	Servicemarks	Service	Expiry date
1		<ul style="list-style-type: none"> <li>• Air transport</li> <li>• Aircraft rental</li> <li>• Travel service</li> <li>• Ship transport</li> <li>• Travel booking</li> <li>• Broker service (transport)</li> <li>• Bus transport</li> <li>• Car transport</li> <li>• Cargo transport</li> <li>• Freight service</li> <li>• Travel information service</li> <li>• Pilot service</li> <li>• Booking service (transport)</li> <li>• Booking service (travel)</li> <li>• Transport</li> <li>• Freight booking</li> <li>• Travel information</li> <li>• Warehouse rental</li> </ul>	17 July 2032
2		<ul style="list-style-type: none"> <li>• Advertisement space (rental)</li> <li>• Hotel management</li> <li>• News clipping</li> <li>• Advertisement on media channel</li> <li>• Airtime rental on media channel</li> </ul>	17 July 2032
3		<ul style="list-style-type: none"> <li>• Advertisement space (rental)</li> <li>• Hotel management</li> <li>• News clipping</li> <li>• Advertisement on media channel</li> <li>• Airtime rental on media channel</li> </ul>	17 July 2032
4		<ul style="list-style-type: none"> <li>• Air transport</li> <li>• Aircraft rental</li> <li>• Travel service</li> <li>• Ship transport</li> <li>• Travel booking</li> <li>• Broker service (transport)</li> <li>• Bus transport</li> <li>• Car transport</li> <li>• Cargo transport</li> <li>• Freight service</li> <li>• Travel information service</li> <li>• Pilot service</li> <li>• Booking service (transport)</li> <li>• Booking service (travel)</li> <li>• Transport</li> <li>• Freight booking</li> <li>• Travel information</li> <li>• Warehouse rental</li> </ul>	17 July 2032
5		<ul style="list-style-type: none"> <li>• Advertisement space (rental)</li> <li>• Hotel management</li> <li>• News clipping</li> <li>• Advertisement on media channel</li> <li>• Airtime rental on media channel</li> </ul>	17 July 2032

No.	Servicemarks	Service	Expiry date
6		<ul style="list-style-type: none"> <li>• Air transport</li> <li>• Aircraft rental</li> <li>• Travel service</li> <li>• Ship transport</li> <li>• Travel booking</li> <li>• Broker service (transport)</li> <li>• Bus transport</li> <li>• Car transport</li> <li>• Cargo transport</li> <li>• Freight service</li> <li>• Travel information service</li> <li>• Pilot service</li> <li>• Booking service (transport)</li> <li>• Booking service (travel)</li> <li>• Transport</li> <li>• Freight booking</li> <li>• Travel information</li> <li>• Warehouse rental</li> </ul>	17 July 2032


The following table shows list of computer programs that the Company has notified copyright

No.	Details	Registration No.
1	BANGKOK AIRWAYS INTERNET RESERVATION AND TICKETING SYSTEM (BIRTS)	Wor1. 1294
2	EMERGENCY RESPONSE TEAM SYSTEM (ERTS)	Wor1. 2906
3	SHORT MESSAGE SERVICE GATEWAY (SMS-GW)	Wor1.2905
4	PG TIME ATTENDANT (PGTAS)	Wor1.2904
5	HUMAN RESOURCES MANAGEMENT SYSTEM (HRMS)	Wor1.2903
6	FINANCIAL INTEGRATED SYSTEM (FIS)	Wor1.2902
7	INVENTORY SYSTEM	Wor1.2901
8	BANGKOK AIRWAYS INTERNET RESERVATION AND TICKETING SYSTEM (BIRTS) VERSION 4	Wor1.2899
9	CASE MANAGEMENT SYSTEM(CMS)	Wor1.2900
10	GOA1 CREATE CASH COMPENSATION	Wor1. 5285
11	GOA1 REIMBURSE PROCESSING (REVIEWER)	Wor1. 5286
12	GOA1 REIMBURSE PROCESSING (APPROVER)	Wor1. 5287
13	GOA2 CREATE UPLIFT RECORDING	Wor1. 5288
14	GOA2 REVIEW UPLIFT RECORDING	Wor1. 5289
15	GOA2 APPROVE UPLIFT RECORDING	Wor1. 5290

The following table shows trademarks of BAC and products that use the said marks

No.	Servicemarks	Service	Expiry date
1		<ul style="list-style-type: none"> <li>Fruit juice, vegetable juice, drinking water</li> </ul>	3 June 2029
2		<ul style="list-style-type: none"> <li>Ready-to-eat meals mainly consisting of meat and vegetables</li> </ul>	3 June 2029
3		<ul style="list-style-type: none"> <li>Ready-to-eat meals mainly consisting of rice, cake, bread, pies, cookies</li> </ul>	3 June 2029

The following table shows service marks of BAC and products that use the said marks

No.	Servicemarks	Service	Expiry date
1		<ul style="list-style-type: none"> <li>Food and beverage service</li> </ul>	3 June 2029









## Marketing and Competition

### 1. Marketing

- **Promoting Passenger Experience**

We are committed to enhancing our passenger experience by providing them with premium, quality services, including the use of complimentary lounges at the airports, friendly and passenger-focused service, a modern and fuel efficient fleet of aircraft and cultural and leisure destinations.

We distinguish our passenger experience with complimentary lounges for all passengers. Our economy class lounges offer our passengers free snacks, beverages and Internet access. We also operate separate business class lounges, or Blue Ribbon lounges, to service our business class passengers. Our Blue Ribbon lounges offer hot meals, shower rooms and Internet access.

To provide the highest quality customer service, we employ staffs who have English proficiency, friendly, and professional. Staffs are selected through a rigorous recruitment process, which is followed by extensive and ongoing training and performance management activities. We specifically budget for training for each customer service personnel every year to ensure staffs are fully prepared to assist passengers effectively and efficiently.

- **Advertising and Marketing**

We believe that Thailand's popularity as a tourist destination has historically provided us with a competitive advantage. Our marketing efforts have historically emphasized the unique appeal of Thai culture, including the attributes of hospitality and friendliness, with the goal of enhancing our positioning as a boutique airline and building a strong reputation of quality personal service.

Our expenditure on marketing relates primarily to media advertising, support to tour operators and travel agents. We advertise mainly through our Internet website, social media, international and domestic trade fairs, outdoor billboards, newspapers and television and radio commercials.

While our marketing efforts focus on destinations within Thailand and Southeast Asia, through our code-share and other cooperative arrangements and our general sales agents and marketing offices located in various locations internationally, we are also able to reach international passengers connecting domestically and regionally to the destinations we serve.



- **Pricing and Revenue Management**

Our business is impacted by the number of passengers flown and the fares charged. We have implemented a revenue management system to maximize revenues by flight, by market and across our entire operations. Revenue management is an integrated set of business processes used to calculate the optimal pricing and seat inventory for premium and budget passengers to maximize revenue generated by the sale of tickets based on forecasting of demand behaviour for each market.

Through our current revenue management system, we seek to maximize revenue per flight by optimizing allocation of seat inventory in the fare classes. We have a multiple pricing structure to meet the varying demands of each market segment. Certain of our aircraft cabins are physically divided into business and economy cabins and virtually divided into 16 fare sub-classes. We determine the number of seats offered at each fare through a continual process of competitive analysis, being one of the most critical processes in revenue management, forecasting and optimization. Booking history and seasonal trends are used to forecast anticipated demand. We use historical forecasts, combined with current bookings, upcoming events, competitive pressures and other factors to establish a fare structure to maximize revenues.

We use Air Vision Revenue Manager, a revenue management system developed by Sabre Inc. This system uses forecasting and optimization models to rapidly analyze economic trade offs required to determine the number of seats offered at each fare, which enables us

to maximize revenues from existing capacity. We have implemented this system with respect to all of our international and domestic routes since 2008.

We actively manage passenger yields through our marketing and sales policies to maximize passenger revenues. Among other measures, we seek to increase passenger revenues by:

1. Simplifying the pricing structures and at the same time, introducing pricing policies at each point of sale to match the characteristic of each point of sale and channel in order to maximize yield and minimize revenue dilution;
2. Introducing automated ticketing to prevent revenue losses due to human error and increase revenue from optional service fees such as excess baggage fees;
3. Employing marketing initiatives in high-yield markets such as Samui and Siem Reap;
4. optimizing seat allocation within each booking category according to fare classes and forecasted demand based on historical data for each route (such as by allocating fewer lower fare seats for routes with higher expected demand); and
5. Optimizing priority allocation to passengers based on forecast demand to maximize revenue on a network basis rather than on an individual sector basis

Like most other airlines, we overbook some flights to account for no-shows. Our overbooking percentage varies route by route and depends on historical rates of no-shows and late cancellation.

- **Maintaining frequent customers by FlyerBonus**

Since its establishment in 2005, our frequent flyer program, FlyerBonus, has played a key role in our marketing strategy and is one of our principal means of creating and retaining customer loyalty. FlyerBonus has two membership tiers: regular and premier. We believe our frequent flyer program promotes loyalty by offering fare redemption for continued patronage. Members can earn mileage credits on our flights and with all of our code-share partners. Mileage credits can be redeemed for free, discounted or upgraded travel on our flights or exchanged for certain goods sold through in-flight sales. Including all of our code-share partners, financial

- **Our target customers**

Our target customers are primarily tourists, as we believe that we are well-positioned to benefit from the growth of tourism in Thailand. Our boutique business model provides extra amenities to our customers such as lounge services without charging additional cost, while also supporting our ability to maintain full service fares,

institutions, car rental companies and local and international hotel chains, allowing members to earn miles through everyday spending, car rentals and hotel stays.

Additionally, FlyerBonus continues to reward members by constantly offering more benefits for examples, offering discounts and benefits from hotels, shops, and over 200 well-known restaurants in Bangkok Airways' routes. Also, the special point promotions allow members to redeem awards from the airline and partners' co-promotions throughout 2019.

which we believe differentiates us from our competitors. Our passenger base consists of primarily international passengers, and still continue to increase continuously. Our domestic passenger base concurrently to benefit from the expanding domestic passenger market and to minimize our dependence on international passengers.

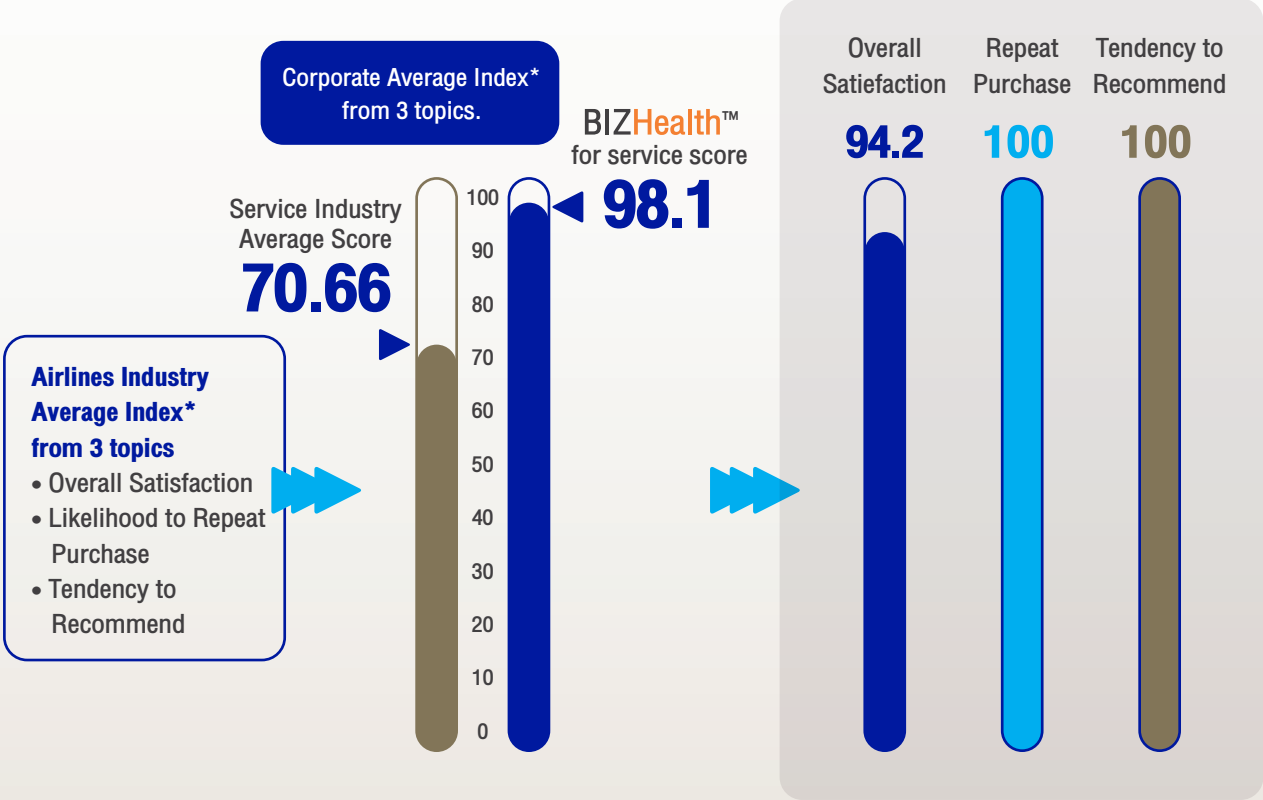


# Customer Relation and Experience Management Division

Customer Relation and Experience Management Division is responsible for management and response to customers feedback, with a goal to building and retaining lasting relationship with customers because this is the

key to a successful business operation, gaining competitive edge, able to respond to customers quickly and correctly including to maintain customer base, resulting in continuous and sustainable business growth.

The company has prepared the Customer’s Satisfaction survey of 2022



\*Remark: Index compute with weighted calculation

Bangkok Airways Average index is 98.1 higher than Aviation Industry is 70.66

- **Sales and Distribution**

We have two principal distribution channels: direct sales through our sales offices, call center and website, and indirect sales

1. **Direct sales**

Direct sales are made at sales offices, ticket counters, airport counters, Call Centers and on our website.

**Sales offices, ticket counters and airport counters.**

We operated selling agents located in Canada, Australia, Europe, Thailand, Singapore, Hong Kong, Cambodia, Laos and Myanmar. We also sell tickets at our ticket counters located in the airports which we serve. These sales offices, ticket counters and airport counters allow guests to walk in to make or change reservations and settle payments either in cash or by using a credit or debit card.



### Call Centers

The 1771 Call Center, servicing 24 hours a day, is a key channel that provides convenient access to the service for passengers; such as product and service information enquiry, ticketing and reservation, payment, flight change charges, or other special services including ticketing and reservation for medical care service and check-in service through the Call Center for passengers on domestic routes traveling without checked luggage. Apart from the Call Center, passengers can also make a contact through e-mail at [reservation@bangkokair.com](mailto:reservation@bangkokair.com) or the 24-hour PG Live Chat.

In 2022 Call Center handled an increase of 21% calls compared to year 2021, while in-coming e-mail increased 82% and contacts via LiveChat increased 84 % because more flights were operated resulting in an increasing number of passengers.



### Internet

We rely on our website, <http://www.bangkokair.com>, for our Internet sales. Online bookings are paid for by credit card or direct debit, reducing credit risk and accounting processes. This also improves our operating cash flows as all revenues from Internet sales are received directly by our acquiring bank for crediting to our account. In 2010, we upgraded our website to increase Internet sales and reduce agency commissions. We also revamped the layout to be more sales-focused with more prominent fares and promotional displays. Use of the Internet to make flight reservations increased, respectively. The Internet has become our least expensive distribution channel as it requires lower overhead and operating costs.



## 2. Indirect sales

We generally appoint general sales agents in locations inside and outside Thailand in order to reach a broader customer network. We have general sales agents in various locations including the United States, Canada, Australia and Europe. General sales agents perform similar functions to our own sale offices, including marketing, promotional functions and ticket sales. General sales agents are particularly important for code-share flights arriving from international destinations to connect to our domestic and regional flights. IATA-authorized sales agents may also sell tickets on our flights. We became a member of the IATA BSP in the year 2000, we had established relationships with over 40 countries around the world to sell our tickets through IATA-authorized sales agents. Payments for tickets sold through IATA-authorized Sales agents are typically settled via a bank settlement plan administered by IATA. The services that travel agents provide are particularly useful for travellers who do not have Internet access and/or credit cards, especially in rural remote areas of Thailand or in other developing countries.

Besides managing the sale channel through the Global Distribution System (GDS); and online travel agent (OTA) which has shown an exponential growth worldwide.

# The Risk Management

The Company put Enterprise-wide Risk Management into practice with consideration of business situation that has changed during Covid-19 pandemic. Changes of life style and technologies have an impact on behaviors of customers, competitors and the way business is operated, employees were laid off and structure of the organization revised in line with the situation.

Executive management reviewed work processes, strategies, value and culture of the organization after consideration of all kinds of risks relating to strategies, operation of the business, conformance to rules and

regulations and financial risks by analysis and assessment of risks, in consistent with operation plans, to achieve target, support decision making and able to be applied to other elements in organization management as well. One move in support of corporate good governance is to adopt GRE principle, take lesson from global incidents which caused losses to the organization, understand needs and expectation of stakeholders and use the information to manage risk. Awareness of process management and concept of risk management can drive the organization towards sustainable growth.

## Risk Factors

### 1. Risks Relating to Our Business

**1.1 The Company's financial position, operation result and business opportunities may be significantly and adversely affected by cost of fuel and shortage of fuel.**

Expense on Jet fuel accounted for the highest proportion of the Company's cost of sales and services. Data from consolidated financial statements shows that cost of fuel is 17.5% of total cost in 2022 respectively. Since fuel cost is a significant item in operation of the business, a slight increase or decrease of fuel price can have positive or negative impact on operation costs. Normally in cases of fuel shortage or rising fuel price or any other circumstances that may affect aviation business, the Company would enter a fuel hedge agreement to manage risks from future adjustment of fuel price.

Many factors severely and continuously affected price of fuel such as Covid-19 pandemic in 2020 and raging

battles in some parts of the world during 2021- 2022 causing average price of MOPs to escalate to the highest level in June 2022 at USD 164.29 per one barrel (highest in the past 10 years). These factors made it difficult to predict what the future would be in 2021-2022, so in 2022 the Company did not enter into any fuel hedge agreement and on 31 December 2022 did not have any obligation relating to fuel heading agreement.

However, by entering a fuel hedge agreement, the Company cannot fully guarantee that it will be sufficient enough to prevent risks from fluctuation of fuel price and may even put the Company at risk of loss by such agreement



**1.2 Our business, financial condition, results of operation and prospects have been in the past and could be in the future materially and adversely affected in the event of an emergency, accident or incident involving any of our aircraft.**

We are exposed to potential significant losses in the event that any of our aircraft is lost or subject to an emergency, accident, terrorist incident or other disaster and we incur significant costs related to passenger claims, repairs or replacement of a damaged aircraft and its temporary or permanent loss from service. We cannot

assure you that we will not be involved in any similar or other more serious events, including one where injuries or death occur, in the future. We cannot assure you that the amount of our insurance coverage will be adequate to cover the losses or damages from any future accidents or incidents.

**1.3 Changes in code-share agreements with other airlines may have an adversely negative effect on our business, financial condition, results of operation and prospects.**

As of December 31st, 2022, we had code-share agreements in place with 27 airlines. This resulted in revenue generation for us from our code-shared partners. We expect more reliance on our code-share arrangements. However, we cannot assure you that we will not be adversely affected by any future changes in our relationships with our code-share airlines. Moreover,

certain of our code-share agreements can be terminated with 30-days written notice, without cause, or immediately, with cause. Any unexpected or premature termination of our code-share agreements may have adverse effect on our business, financial condition, results of operation and prospects.

**1.4 The intense competition in the airline industry along with competition from other forms of transportation could materially and adversely affect our business, financial condition, results of operation and prospects.**

We have faced a high level of competition on our domestic and international routes. Airlines compete primarily on fare levels, frequency, reliability of service, brand recognition, passenger amenities, frequent flyer programs and the availability and convenience of other passenger services. In addition, some of the airlines with which we compete are larger and may have greater brand recognition, financial resources and penetration in key markets, including Thailand. They may be in a better position to operate unprofitable routes for a longer period of time than us.

Our competition for our scheduled passenger services include other full-service operators, low-cost operators and other forms of transportation. We face competition on our principal domestic routes primarily from carriers such as Thai Airways, Thai AirAsia, NOK Air, Thai Smile and Thai Lion Air. In addition, additional carriers may desire to fly in and out of Samui in the future. The intensity of competition varies from route to route. We cannot assure you that our competitors will not engage in price cutting or other activities in an attempt to shift market share, which may have adverse effect on our business, financial condition, results of operation and prospects.

1.5 Our airline and airport businesses are heavily dependent on travel to Thailand and the broader Southeast Asian markets, by Thai, regional and European passengers, and a reduction in demand for air travel in these markets may have a material adverse effect on our business, financial condition, results of operation and prospects.

The airline business is our core business, contributing 66.3% of our total consolidated revenues in 2022. It comprises air transport services for passengers domestically and internationally. Our growth has focused and will continue to focus on adding domestic and international flights to and from our operations at the Suvarnabhumi International Airport, Samui Airport and Chiang Mai Airport. Our business, financial condition, results of operation and prospects would be affected by any circumstances causing a reduction in demand for air transportation in Thailand, including adverse changes in local economic conditions, declining interests in Thailand as a tourist destination, or significant price increases as a result of increases in airport access costs and fees imposed on passengers.

We believe that a substantial majority of our passenger traffic on our airline and at our airports comprises tourists attracted by Thailand's appeal as a

tourist destination. Accordingly, we are dependent on the health of the Thai tourism industry. We have experienced a significant decline in international passenger traffic by a number of political demonstrations and strikes as well as reports of violence in certain areas of Bangkok including plague. Our business is adversely affected by any circumstances causing deterioration in Thailand's appeal as a tourist destination, such as continued internal political instability, adverse changes in international economic conditions. We cannot assure you that we will be able to take any preventive measures to mitigate potential negative impacts to our operations. Moreover, as some of our interline passengers originate from Europe, any negative external factors affecting travel from Europe could have adverse effect on our business, financial condition, results of operation and prospects.

1.6 Our subsidiary and associated companies have been granted concessions to provide airline related services at the Suvarnabhumi International Airport.

Our subsidiary and associated companies have entered into project agreements with the AOT to provide airport-related services at the Suvarnabhumi International Airport, including cargo terminal services, ground services and in-flight catering services, with a term of 20 years, expiring September 27, 2026. BFS Ground and BAC contributed 11.2% and 6.2%, respectively. We cannot guarantee you that one or more of our

project agreements will not be terminated before their expiration. If our subsidiary and associated companies are unable to renew or extend their project agreements upon expiration or termination, our subsidiary and associated companies will lose their rights to operate the relevant businesses resulting in our loss of revenue stream resulting from such business, which will have adverse effect on our business, financial condition, results of operation and prospects.



**1.7 Compliance with environmental laws and regulations may affect our existing and future operations and result in additional costs.**

The airline industry is subject to environmental laws and regulations and will likely be subject to more stringent environmental laws and regulations in the future. These environmental laws and regulations relate to, among other issues, aircraft noise, the use and handling of hazardous materials, air emissions and environmental contamination clean-up. Several countries have issued a number of environment related directives and other regulations including regulations relating to aircraft noise, exhaust and age. Further, environmental regulations, especially those with respect to noise and air pollution,

have evolved rapidly and are expected to continue to evolve in ways that may require the termination of use of certain models of aircraft if they do not conform to the regulations. These requirements impose substantial ongoing compliance costs and operational restrictions on airlines, particularly as new aircraft brought into service will have to meet the environmental requirements during their entire service life. Compliance with these laws and regulations could increase our expenses or restrict our ability to continue to expand some of our operations.

**1.8 Our maintenance costs will increase as our fleet ages.**

The average age of our aircraft was 12.5 years as of December 31, 2022. Generally, the cost of maintaining aging aircraft will exceed the cost of maintaining newer aircraft. As our fleet continues to age, it will require more maintenance and our maintenance expenses will increase on an absolute basis, on an available seat kilometer basis and as a percentage of our operating expenses (provided our other operating expenses remain constant). Any significant increase in maintenance expenses will

have an adverse effect on our business, financial condition, results of operation and prospects. Older aircraft typically feature older cabin products, and generally require more frequent maintenance, which may result in disruptions of flight schedules, and generally affect customer satisfaction and perceptions of our airline, each of which may generally reduce our competitiveness.



**1.9 We may incur a significant amount of debt in the future to finance the acquisition of aircraft, capital expenditure or expansion plans.**

We have historically leased most of our aircraft pursuant to operating lease arrangements. However, we may consider purchasing a portion of our aircraft requirements in the future. We are likely to require financing and incur significant amounts of debt to fund such acquisitions. If we are unable to obtain such financing, we will remain obligated to take delivery of the nine aircraft and will be required to finance through alternative funding sources or renegotiate with the vendor or default under the sale and purchase agreement. We may also obtain debt financing to finance our operations. If we are unable to obtain financing for new

aircraft on acceptable terms, this may affect our profitability and delay our fleet expansion plans. Moreover, our future credit facilities may contain covenants that limit our operating and financing activities and require the creation of security interests over our assets. Our ability to meet our payment obligations and to fund planned capital expenditures will depend on the success of our business strategy and our ability to generate sufficient revenues to satisfy our obligations, which are subject to many uncertainties and contingencies beyond our control.

**1.10 We may not be successful in implementing our business strategy**

Our business strategy involves increasing the number of our aircraft, increasing the frequency of our flights to destinations we currently serve, expanding the number of destinations we serve and that is part of our extended code-share network and stimulating growth in the markets that we serve. Achieving our business strategy is critical to the success of the Company

Increasing the number of destinations that we serve depends on our ability to obtain suitable landing slots in airports located in our targeted markets in a manner that is consistent with our strategy. We need to obtain air traffic rights and airport landing slots before we can commence services to new destinations. Increasing the number of destinations, increasing the frequency to the destinations that we currently serve depends on our ability to obtain additional departure and landing slots in such destinations, including at the Suvarnabhumi

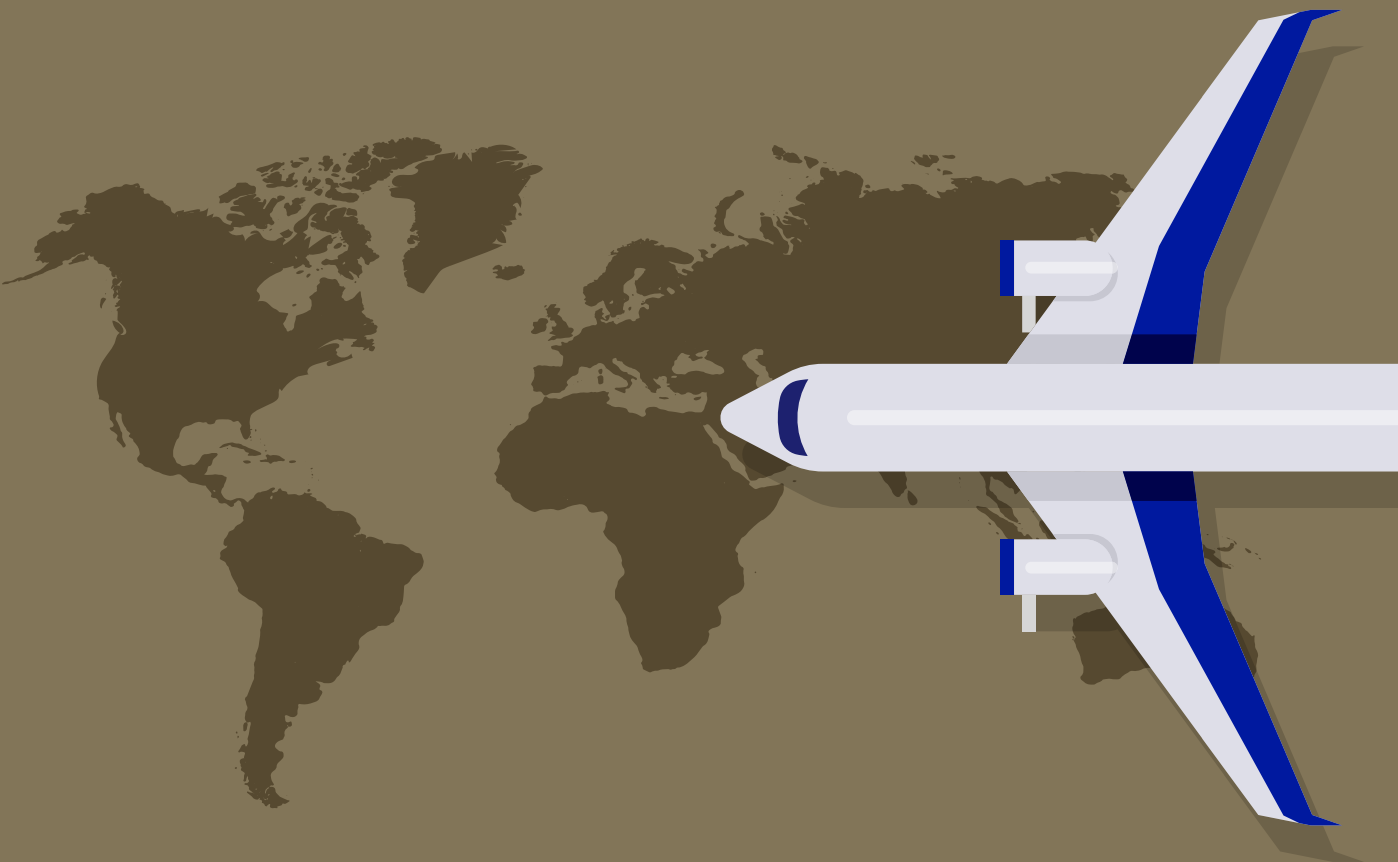
International Airport, Samui Airport, Chiang Mai Airport, and other Airports where we operate flights. Any failure to obtain these traffic rights, airport departure and landing slots or approvals, to add additional code-share arrangements, or to add additional departure and landing slots may have adverse effect on our business, financial condition, results of operation and prospects

We expect a number of planned future destinations. Adding service to new destinations may require us to commit a substantial amount of financial and other resources, even before the new service commences, and we may initially experience low load factors and be required to offer promotional fares to new destinations, which will adversely affect the profitability of these new destinations., which may affect our business, financial condition, results of operation and prospects.

Other factors that may have an impact on our business strategy include:

- the general condition of the Thai, Asian and global economies and the global capital markets;
- demand for regional air transportation;
- barriers to entry into the Thai and Southeast Asian aviation market;
- our ability to operate and manage a larger operation cost-effectively;
- our ability to acquire additional licenses and traffic rights to our targeted geographical markets in order to expand our route portfolio;
- our ability to hire, train and retain sufficient numbers of pilots, cabin crew and engineers for our aircraft;
- our ability to source and take delivery of aircraft on a timely basis; and
- our ability to obtain the financing necessary to pay for expansion at cost-effective rates.

Many of these factors are beyond our control. We cannot assure you that we will be able to successfully expand within our existing markets or establish new markets, and any failure to successfully implement our business strategy may have a material adverse effect on our business, financial condition, results of operation and prospects.



**1.11 Our ability to set fares on certain segments of our business is constrained by fare ceilings set by the Government.**

As an airline company, we are regulated by the Government through, among others, The Civil Aviation Authority of Thailand. The Civil Aviation Authority of Thailand is the regulatory authority responsible for regulating the Thai aviation sector. The Civil Aviation Authority of Thailand issues operating licenses required for our flight operations, sets price caps for airfares on domestic passenger services sold in Thailand, regulates fuel surcharges for scheduled domestic passenger and cargo services and agrees international bilateral air service

agreements with other countries. Our domestic fares are subject to fare ceilings prescribed by The Civil Aviation Authority of Thailand. Our revenue from domestic passenger services accounted for 60.9% and 66.0% of our revenues from passenger services in 2014 and the 2015, respectively. Any adverse changes in these policies, in addition to other regulations and policies governing airline operations, could have adverse effect on our business, financial condition, results of operation and prospects.

**1.12 Fluctuations in currency exchange rates may have an adverse impact on our business, financial condition, results of operation and prospects.**

Due to the geographic diversity of our business, we receive revenue and incur expenses in a variety of currencies, in particular the Thai Baht, and U.S. Dollar. However, most of our maintenance, aircraft leasing, jet fuel supply, insurance contracts and substantially all of our purchase contracts with respect to aircraft spares are denominated in U.S. Dollars. A number of currencies, have experienced significant volatility, which could be detrimental depending on our foreign exchange position with respect to both our income and expenses. We may, in the future, enter into derivative contracts to hedge our foreign exchange exposure. However, we cannot assure you that such hedges will be available or

commercially viable or effective to hedge our exposure to foreign currency risks.

We may enter into U.S. Dollar commitments in the future, including in relation to future purchases of aircraft. Therefore, any depreciation in the Thai Baht against these foreign currencies would increase our obligations. There can be no assurance that we would be able to generate revenue increases sufficient to offset such increased obligations. As a result, fluctuations in the value of the Thai Baht against other foreign currencies may affect our business, financial condition, results of operations and prospects.

**1.13 We are exposed to certain risks against which we do not insure, and may have difficulty obtaining insurance on commercially acceptable terms or at all.**

Insurance is fundamental to airline and airport operations. As a result of terrorist attacks or other world events, certain aviation insurance could become unavailable or available only for reduced amounts of coverage that are insufficient to comply with the levels of coverage required by our aircraft lessors or applicable government regulations. Any inability to obtain insurance, on commercially acceptable terms or at all, for our general operations or specific assets would have a material adverse effect on our business, financial condition, results of operation and prospects.

We cannot assure you that our coverage will cover actual losses incurred. To the extent that actual losses incurred by us exceed the amount insured, we could have to bear substantial losses which may have adverse effect on our business, financial condition, results of operation and prospects. In line with industry practice, we leave some business risks uninsured, including business interruptions, loss of profit or revenue. To the extent that uninsured risks materialize, our business, financial condition, results of operation and prospects could be materially and adversely affected.

**2. Risk Relating to the Aviation Industry**

**2.1 The airline industry tends to experience adverse financial performance during general economic downturns.**

It is difficult to predict the effects of a global economic downturn. The airline industry is characterized by low profit margins and high fixed costs. A significant proportion of our expenses, including depreciation, maintenance and overhaul, aircraft handling and navigation fees, finance costs, operating lease payments and labor costs for flight deck and cabin crew and ground personnel do not vary based on our load factors, while

revenue generated from a flight is directly related to the number of passengers or cargo carried and the fare structure. A change in the number of passengers in relevant markets or in pricing, load factors, or traffic mix could have a disproportionate impact on our business, financial condition, results of operation and prospects. In addition, a minor shortfall in expected revenue levels could have adverse effect on our financial performance.

**2.2 Limitations of Bangkok’s airports and other Thai airports may inhibit our ability to increase our aircraft utilization rates, improve our on-time performance and provide safe and efficient air transportation.**

Although Thailand’s commercial aviation infrastructure has improved substantially with the opening of the Suvarnabhumi International Airport in September 2006 and the re-opening of Don Mueang International Airport to domestic flights in March 2007, the resources of many segments of the commercial airline industry, including airport facilities and air traffic control systems, have been strained by the rapid increase in air traffic volume. Our ability to increase utilization rates, improve our on-time performance and provide safe and efficient air transportation in the future depends in part on factors beyond our control, including:

- capacity of landing slots, passenger capacity at terminals and air traffic congestion in major hub airports that we serve, particularly at the Suvarnabhumi International Airport in Bangkok and the Phuket Airport;
- the quality of the management of Thai airports by the relevant operator;

- the quality of national air traffic control;
- the quality of navigational systems and ground control operations at Thai airports;
- limitations on runway length and/or strength which restrict our aircraft payload;
- the quality of infrastructure at regional airports that we serve; and
- any increased security measures.

If any of these factors is inadequate, our ability to expand our route network or to increase the frequency of flights on our existing routes, improve our on-time performance and to provide safe air transportation will be compromised, and our business, financial condition, results of operation and prospects may be adversely affected.



### 2.3 The airline industry is exposed to extraneous events such as terrorist attacks, outbreak of contagious diseases and extreme weather conditions.

Terrorist attacks and their aftermath had a negative impact on the airline industry. The effects experienced by the airline industry include increased security and insurance costs, increased concerns about future terrorist attacks, airport shutdowns, flight cancellations and delays due to security breaches and perceived safety threats, and reduced passenger traffic and yields due to the subsequent drop in demand for air travel globally. Terrorist attacks, or the fear of such attacks, or otherworld events could result in decreased passenger load factors and yields and could also result in increased costs for the airline industry, including us. If any similar events or circumstances occur in the future, our business financial condition, results of operation and prospects could be adversely affected.

An outbreak or contagious disease with the potential to become a pandemic or the measures taken by the governments of affected countries against such potential outbreaks could also disrupt our operations, which could

have an adverse effect on our business, financial condition, results of operation and prospects.

During the typhoon season or periods of other adverse weather conditions in Thailand or elsewhere, flights may be cancelled or significantly delayed. Thailand has experienced a number of major natural catastrophes over the years, including tsunamis and floods. If we delay or cancel flights for extreme weather conditions, our revenues and profits will be reduced and, notwithstanding that these events are beyond our control, passengers may blame us for such delays and cancellations. We could suffer a loss to our reputation, which could result in a loss of customers and adversely affect our business, financial condition, results of operation and prospects. In addition, adverse weather conditions in other countries or regions which feed passengers onto our route network could adversely affect the number of passengers on our flights.

### 2.4 The airline industry is under the supervision of international safety and operation standards

The airline industry is under the supervision of international safety and operation standards which is inspected and directed by international audit scheme. If there are any Significant Safety Concerns will get the status down on safety standard which affects directly and indirectly to the country and the office that administers all airlines in the country as well. Such effects include suspension of expanding route network, limiting

flight frequency, limiting flight timetable, which will also affect the competitiveness, higher operation cost, limiting business opportunity, limiting profit making, higher leasing and insurance cost, to more strict maintenance conditions which will subsequently affect patronage decision making because safety is key for passengers to make their choice of airline service.



## 2.5 Cyber security

Incidents of cyber attacks tend to increase significantly, in particular activities involving critical infrastructure such as health services, transportation including aviation business which may have an impact on large number of users as well as continuity of business of the Company.

The Company set structure for management of cyber security, to be ready to respond to threats and to recover IT systems to work as normal with reference to NIST Cyber security framework and relevant requirements such as the need to report cases of cyber attacks to top

management and use the data to support formulation of appropriate policy and guidelines.

The Company focused on cyber threats and leak of company data which may have an impact on customers, partners, employees and stakeholders, therefore projects to enhance cyber security were implemented such as long distance access control, multi-factor verification in addition to raising awareness regarding cyber security by means of training and via various communication channels.

## 2.6. Personal Data Protection.

Personal Data Protection Act B.E 2562 (2019), effective on 1 June 2022 set guideline on management and protection of personal data, to raise stakeholders' confidence and mitigate risks of personal data breach which may affect the reputation of the organization and may be subject to fines in compliance with the related laws.

The Company stipulated policy and guidelines for storage and processing personal data based on necessity and objective, in consistent with the law, with reference to Personal Data Protection Act B.E. 2562 (2019).

The Company raised awareness of personal data protection through internal communication channels and set data security measures (organizational, technical and physical measures) according to CIA Triad comprising of Confidentiality – keeping data in confidence; Integrity – data can be trusted; Availability – data readily available to authorized users as needed. In order to raise customers' and stakeholders' confidence, the Company formulated Emergency Response Plan in case of personal data leak to reduce impact on data owners and ensure continuity of company business.



## 2.7 Corporate Governance

The Company, through its Board of Directors, executives and employees, adhered to and observed corporate good governance principle and considered that such principle is a notable factor to promote the Company's success as an organization with concern over social responsibility. The Company corporate governance policy complied with corporate good governance guidelines and focused on publicity of details on implementation covering ESG concerns. Failure to comply with internal governance measures may affect the Company's business continuity and its reputation.

Evidences of the Company's focus on corporate governance and method to mitigate relevant risks are as follows:

\*Ranking of Corporate Governance Score in 2022 by Thai Institute of Directors (IOD), the Company achieved an Excellent score.

\* Received Sustainability Disclosure Award 2022, presented by Thaipat Institute

\* Set up Whistle Blowing channel to enable individuals within and outside the Company to report any evidence of corruption in accordance to Anti-Corruption Policy.



# Sustainable business drive

## Sustainable management policy and objectives

With the intention to drive sustainable business since 2021 by responding to current and future challenges and creating sustainable growth based on a balance between social environment and good governance, the Company

set Corporate Sustainability Policy in 2022 to demonstrate its mission towards sustainable goal and determination to deliver value to stakeholders.

### Commitment to sustainable goal

“Deliver happiness through impressive travel experience”



### Commitment to deliver value to stakeholders

In 2022 the Company aimed to deliver value to stakeholders throughout the value chain keeping in mind sustainability of the business and its “boutique” identity.

-  Organization’s credibility
-  Service from a heart
-  The complete travel experience
-  Great Value for money
-  Inspiring travel
-  Impressive feeling when traveling with the airline

## Value chain

The Company examined value chain which is a series of connected activities from the beginning to the end with a view to develop and upgrade the ability to




correctly respond to the need or expectation of stakeholders. Five primary activities can be summarized as follows:

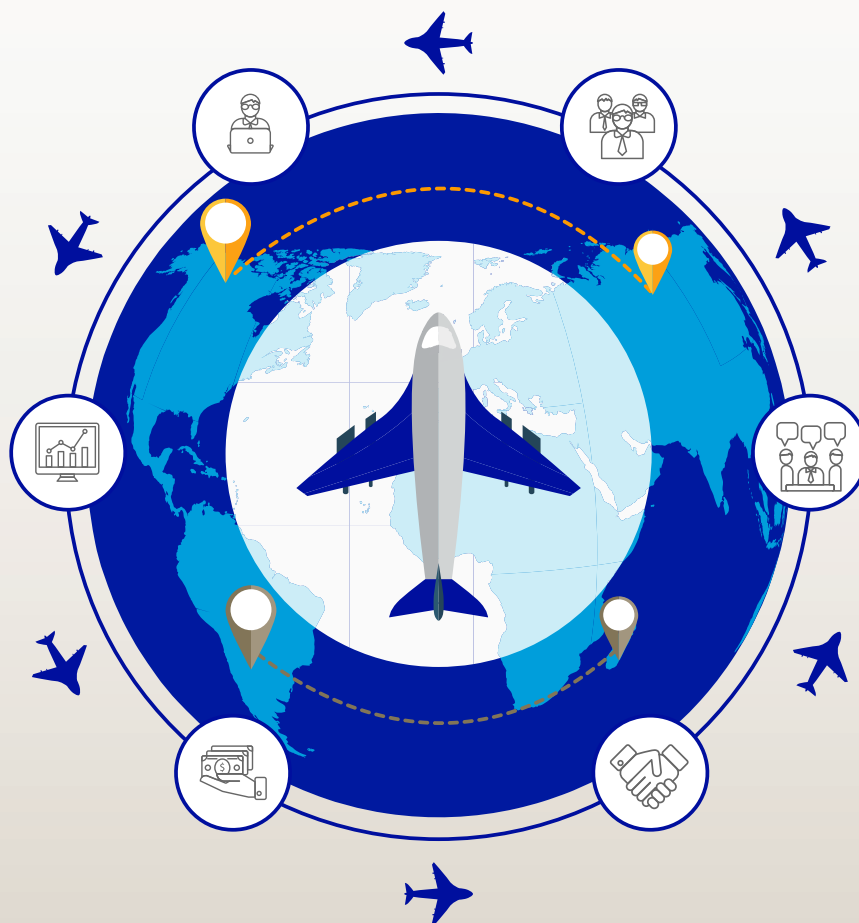


# Analysis of stakeholders in the business value chain

The Company examined groups of stakeholders throughout business value chain and divided them into 6 main groups consisting of employees, customers, community or society, business partners, investors and shareholders and regulatory agencies. Responding to key stakeholders are as follows:

Key stakeholders	Expectations/ Interests / Concerns	Engagement/ Response of the Company
<p>Employees</p> 	<ul style="list-style-type: none"> <li>• Suitable Welfare</li> <li>• Career Advancement</li> <li>• Job stability</li> <li>• Development of potential</li> <li>• Happy Workplace</li> <li>• Health and Safety in the workplace</li> <li>• Employee feedback</li> </ul>	<ul style="list-style-type: none"> <li>• Annual health check</li> <li>• Providing In-house medical room</li> <li>• Town Hall Live 2022 event by senior executives to provide information and answer questions that are of interest to employees.</li> <li>• Organizing training activities to promote knowledge sharing on various topics such as business sustainability fundamentals/ cybersecurity awareness/ personal data protection/ good governance/ aviation business management, etc.</li> <li>• Public relations for activities that promote employee potential, such as the Travel Fairy Project in Thailand/ recruitment of Care Team volunteers, etc.</li> <li>• Arrangement of recreational activities in the organization for employees to relax on various occasions.</li> <li>• Publicize useful information to employees through internal communication channel.</li> <li>• Ensuring safe environment for employee such as disinfection spray.</li> <li>• Employee Engagement Survey 2022</li> <li>• Performance appraisal</li> <li>• Open to employee feedback via meeting, online channels and survey</li> </ul>
<p>Customers</p> 	<ul style="list-style-type: none"> <li>• Receiving quality, fast and convenient service</li> <li>• Gaining security and health for life and property in accordance with international standards.</li> <li>• On time flight</li> <li>• Obtaining a comprehensive response to travel needs</li> <li>• Receiving assistance to maintain travel benefits that are appropriate to the situation</li> <li>• Being treated with equality and respect for human rights</li> </ul>	<ol style="list-style-type: none"> <li>1. Ongoing employee training To maintain and develop knowledge, skills, abilities and expertise in customer service</li> <li>2. Annual customer satisfaction survey</li> <li>3. Direct customer communication by Customer Relationship Management and Customer Experience Management</li> <li>4. Communicating useful information to customers through the Company's channels such as website, Facebook, e-mail, call center.</li> <li>5. Customer visits</li> </ol>
<p>Community and Society</p> 	<ul style="list-style-type: none"> <li>• Minding to opinions and getting help when problems are found.</li> <li>• Management of impacts arising from the Company's business operations that affect communities and society.</li> <li>• Be notified of useful and timely information.</li> </ul>	<ol style="list-style-type: none"> <li>1. Assignment of community relations officers Stationed at Samui, Sukhothai and Trat airports to continuously take care of community relations in the area.</li> <li>2. Community hearing.</li> <li>3. Community Development using the principles of holistic development (Holistic Area-Based Community Development)</li> <li>4. Publicize information to the community and the media through various channels of the company such as website, Facebook, e-mail, public relations boards.</li> </ol>

Key stakeholders	Expectations/ Interests / Concerns	Engagment/ Response of the Company
<p>Business Alliance</p> 	<ul style="list-style-type: none"> <li>• Compliance at terms and conditions.</li> <li>• Equal, fair and transparent treatment</li> <li>• Maintaining good long-term business relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Business operations that are in line with the trade competition policy with regard to business ethics on partner's benefits and fair competition with other business operators</li> </ul>
<p>Investors and shareholders</p> 	<ul style="list-style-type: none"> <li>• Maintaining a good performance while an epidemic of COVID-19 still found</li> <li>• Transparent and timely disclosure of information</li> <li>• Sustainable business development in response to future changes</li> </ul>	<ul style="list-style-type: none"> <li>• Announcement of quarterly operational results</li> <li>• Annual General Meeting of Shareholders</li> <li>• Opportunity Day ԿՄՃՆԴՍ</li> <li>• Opportunity Day: Listed Companies Meet Investors</li> <li>• Communication through the annual report form One Report (56-1) - Communication through other channels such as the Company's website.</li> </ul>
<p>Corporate Governance</p> 	<ul style="list-style-type: none"> <li>• The company complies with the requirements/ rules/ related laws.</li> <li>• Maintaining aviation quality according to international standards</li> </ul>	<ul style="list-style-type: none"> <li>• Access to audits and evaluations by the supervisory authority to follow up and correct any incomplete issues (if any) and deliver results in a timely manner.</li> </ul>

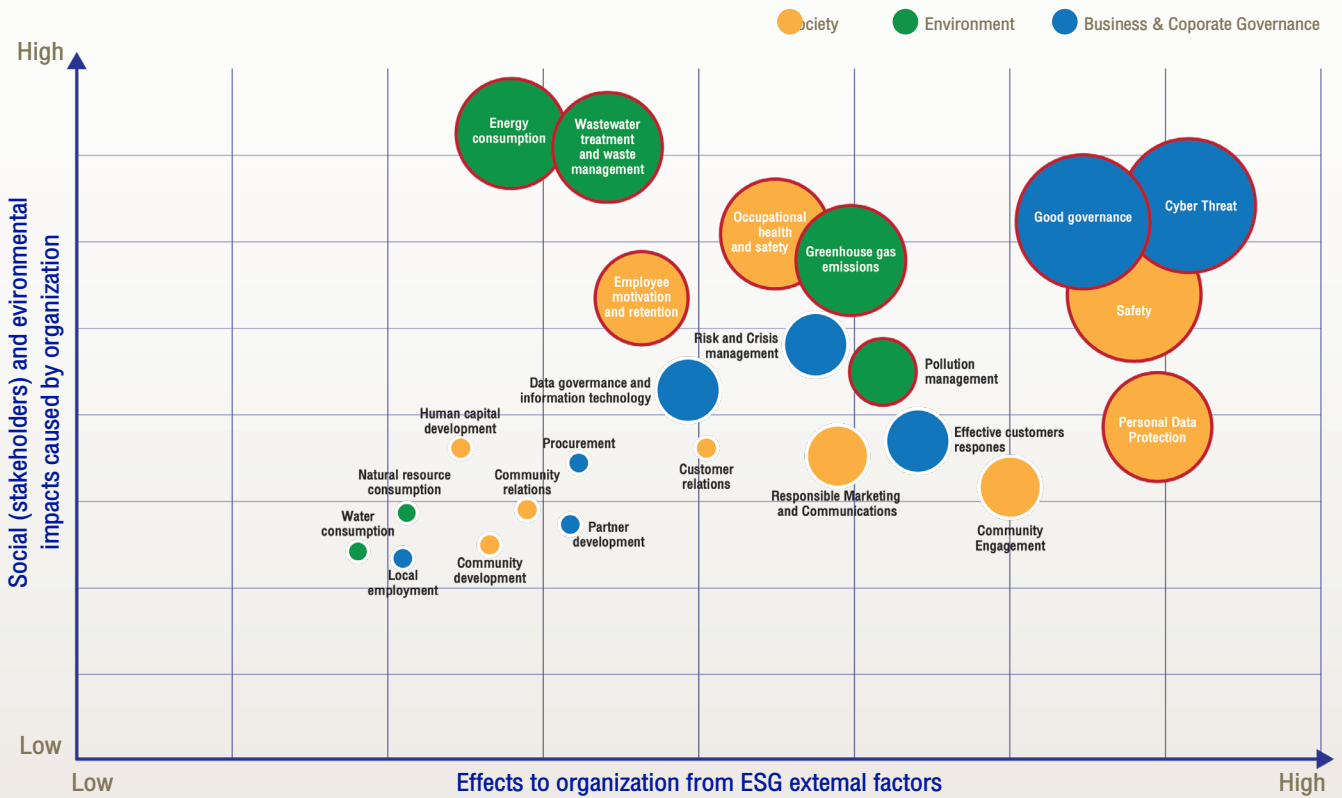




## Significant sustainability issues

The Company determined the content under heading Business Drive for Sustainable Business report, in accordance to corporate sustainable issues 2022 gained from analysis of sustainable issues through out value

chain together with context and important issues of the industry group covering the environmental, social and governance dimensions.



### Economic dimension

- Cyber Security
- Good Governance

### Environmental dimension

- Management of Green House Gas
- Water and Waste Management
- Energy Management
- Pollution Management

### Social dimension

- Safety
- Employee Motivation and Retention
- Data Protection

## Sustainability high light 2022



**No**

No serious accidents or incidents in flight operations both on ground and in flight



**92.32%**  
(93.55%)

Achieved 92.32% (93.55%) on-time-performance of departure flights (arrival flights) of total flights operated under controlled situation.



Awarded as an airline with highest safety standard **(7 stars)** rated by AirlinesRatings.com



**92.2%**

Achieved 92.2% positive response from Customer Satisfaction Survey



**57.13%**

Provided 57.13 hours of training for each employee in one year.



**CG Score**

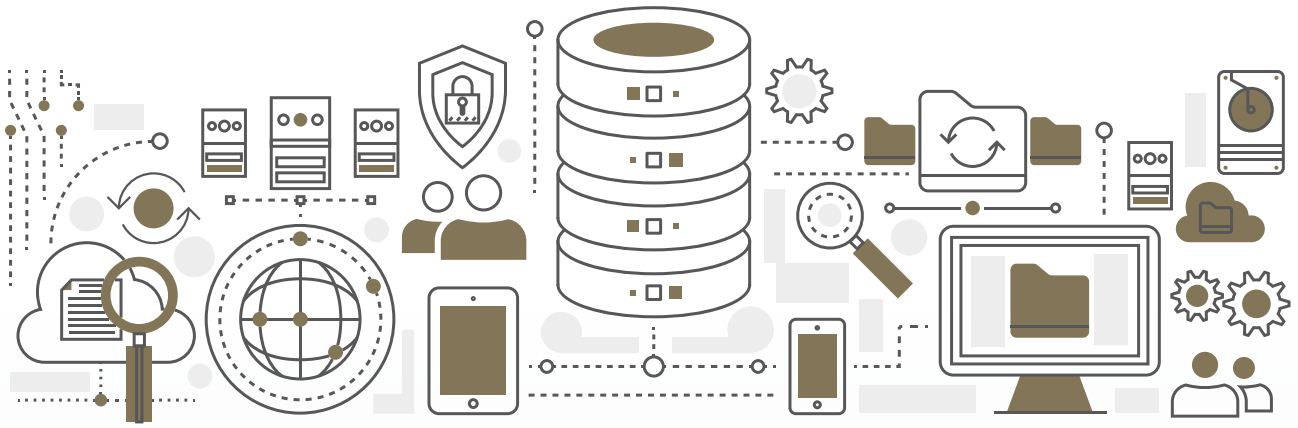
Achieved **“Very Good”** CG Score, rated by Thai Directors Institute.

### **“G-Green” Honorary Awards presented by Department of Environmental Promotion to two airports**



- Samui Airport for outstanding management of the environment. **“Very Good”** Honorary Award.
- Trat Airport for outstanding management of resources and efficient use of energy. **“Good”** Honorary Award





## Cyber security

The Covid-19 pandemic has changed the way people work and operate business, relying more and more on technology. Digital technology helped to improve work efficiency and in a digital work place employees are able to work together and communicate through many channels. This however created risks to cyber security system and IT data.

In this regard the Company provided effective and readily available Information and Communication system to support business operation, adhering to Information Technology/Cyber Security law, defined Critical Information and Communication Technology System to search for and assess risks and other weaknesses, developed KPI and suitable process for risk management and risk control with reference to ISO 27001 Cyber Security standard to ensure safety and security of IT and Communication System.

In addition the Company adopted Cyber Security Framework of the American National Institute of Standards and Technology to use as guideline for cyber security management as follows:

### 1. Identify threats

Managed IT assets and classified IT data so that suitable measures can be applied to control and mitigate risks; assessed cyber risks and likelihood of threats to produce precaution and response plan; engaged external experts to conduct vulnerability assessment, test accessibility of the system, find weaknesses in order to

improve security of the system and ensured services provided are checked, assessed and controlled according to the standard set by the Company.

### 2. Protect from threats

Adopted technology and process for protection of threats, to control access to assets, data and basic structure of IT system through out the organization and to ensure the system, tools and equipment are up-to-date, fully and correctly set up.

Arranged proper management of access to assets, by adjusting password policy and adopting Multi Factor Authentication and Privileged Access Management systems to enhance security, raising awareness of cyber security among all employees, organizing Cyber Security Awareness course in the second quarter of 2022, arranging New Knowledge Blog on Cyber Security accessible through intranet in order to improve knowledge and understanding and reduce all forms of cyber threats.

### 3. Detect threats

Provided process and system to protect IT resources from cyber threats which may occur both internally and externally, covering from security management of data center, communication network, system access, detection and surveillance of unusual incidents by various detection equipment, all these will ensure that threats can be quickly detected and arrested.

**4. Response to threats**

Produced response plan of cyber threats by assigning roles of people involved in communication process and other processes to stop the damage that may occur, including investigation, analysis of cause, corrective guideline leading to elimination of cyber threats and incidents and preparation of a summary report.

**5. Recover Information System after cyber incident**

Set data backup process including process to recover damages to reduce impact on operation of business and provision of services, improved data back up system, prepared process to test and recover both data and IT systems in consistent with Recovery Time Objective (RTO) and Recovery Point Objective (RPO) that have been set.



**Implementation of improvement and development**

Subject	Performance	Operations for Sustainability
Endpoint Security	Improve the Endpoint Security system to be firmly secure	Continuous maintenance of the Endpoint Security system.
WebSite Security	Increase capacity and security of the company's website to accommodate more customers.	Regularly maintain the Company's website for security to acceptable standards.
Access Control and Authentication	Password and authentication process improvements	Restrict access to only authorized person
Data Privacy	Announcement of privacy policy and development of personal data management system	Educate and raise awareness about the use of personal data.

# Governance

The Company adhered and complied by Corporate Good Governance Principles in operation of the business through Board of Directors, executives and employees with awareness that corporate good governance is important for promoting overall success of the Company as an organization with social responsibilities. The Company's Corporate Good Governance Policy complied with SET guideline and announced in the Company website with details under following headings:

- Section 1.** Rights of shareholders
- Section 2.** Equal Treatments of shareholders
- Section 3.** Role of stakeholders
- Section 4.** Transparency and disclosure of information
- Section 5.** Board of Directors responsibilities

## Implementation

- Continual adherence and compliance with corporate good governance principle and in 2022 maintained CGR score rated by Thai Directors Institute at "very good" level.
- Reviewed knowledge and understanding of governance and compliance with ethical business practice. In 2022 produced and distributed questionnaire on "Compliance with Ethical Business Practice" to all employees so as to promote corporate good governance principle and to comply by Sustainability Policy. Completed questionnaires are kept as the employees' training record.



Note: 1,880 employees passed the exam from all employees.



## The Environment

### Environmental Policy and Guideline

The Company set policy and guideline on environment in the organization, having realized the issues on environmental problems at both national and international context.

Samui Airport, Sukhothai Airport and Trat Airport have formulated an Environment Policy and appointed an Environment Committee for each airport to comply with framework of corporate sustainability policy and currently related laws such as Environmental Quality Promotion Act (No. 2) 2018, including to align and achieve objectives in operation of aviation business, to manage the environment and aviation safety, to protect environmental impact around the communities and particularly to strictly comply with Protective and Corrective measure of environmental impact and Monitoring measure of impact on the airport environment, the result of actions taken according to measures above to be sent to Office of Natural Resources and Environment Policy and Planning, to Civil Aviation Authority of Thailand and to local authorities.

In this regard Organization Environment Policy and appointment of Environmental Committee at the airports are communicated through various channels to all employees involved for their information, acknowledgement and cooperation.

# Conservation of the Environment

## 1. Green Gas Management

The Company is committed to be an important part in aviation sector to manage climate change particularly emission of carbon dioxide from flight operations into the atmosphere. The Company joined ICAO Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) in order to support achievement of goal to maintain carbon dioxide emission from international aviation by offsetting and reduction of carbon dioxide emission.

In this regard the Company is required to collect and report data on carbon dioxide emission to Civil Aviation Authority of Thailand (CAAT) annually, such data to be verified by certifier licensed by CAAT to certify Carbon Offsetting Scheme according to time frame determined by ICAO.

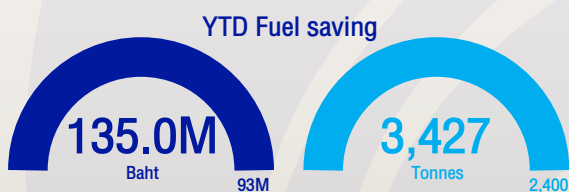
Fuel Efficiency Project is one of the Company's key policies, widely publicized, campaigned and coached among all pilots and related persons to be aware of fuel efficiency plan. It is included in the pilot's Standard Operating Procedure (SOP) and performance according to SOP is monitored regularly, resulting in reduction of carbon dioxide and other pollutants emitted from aircraft engines as well as reducing noise pollution which may have an impact on the community.



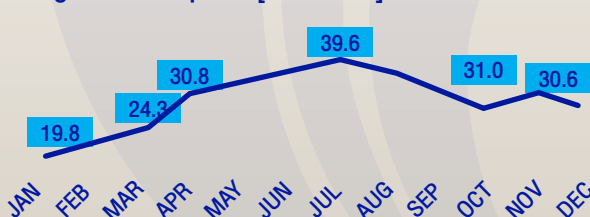
## Fuel Efficiency Project

Fuel Efficiency Project has been continuously implemented under maximum flight safety framework which in addition to reduce cost, enabled the Company to participate in conservation of the environment by management of green gas arising from flight operation, resulting in reducing emission of carbon dioxide.

Fuel efficiency project is one of the Company's key policies specified in the pilot's Standard Operating Procedure (SOP) to reduce air pollution from aircraft engines, reduce fuel consumption and noise pollution that may affect communities around the airports.

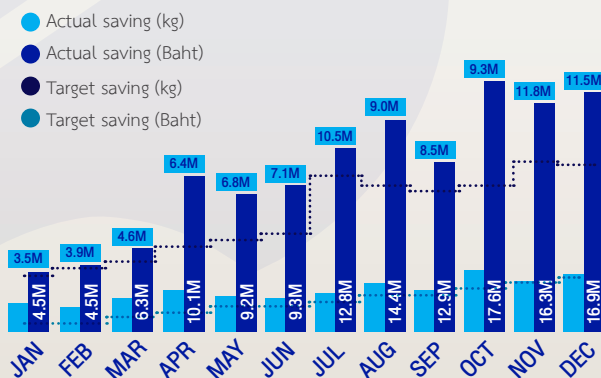


### Average PG Fuel price [Baht/litre]

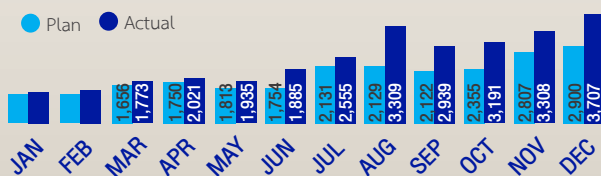


\*\*\*Average Specific Gravity = 0.788

### 2022 - Total Fuel savings [Baht]



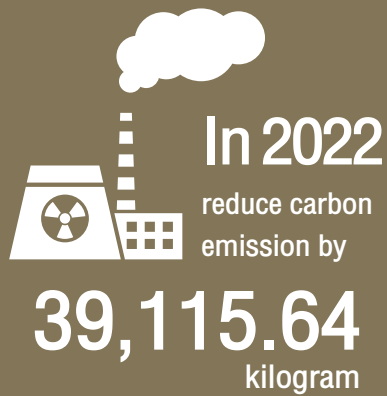
### Number of flight





### Care the Bear Project

The Company joined Care the Bear Project organized by SET. The project started in 2018 aimed to encourage listed companies and other interested organizations to reduce carbon emission through on-line or on-site activities, using 6 Care principles to design and create new behaviors for the organization.



## 6 Cares

### Care the Bear Project



**1** Encourage participants to travel by public transport or travel together



**2** Reduce the use of paper and plastic



**3** Refrain from using foam



**4** Reuse/ Recycle decorative accessories



**5** Reduce food waste



**6** Reduce energy consumption from electrical devices

## 2. Water and waste management



### 2.1. Water management

#### \* Efficient use of water supply

##### Samui Airport, Sukhothai Airport, Trat Airport

The three airports set guideline for effective management of water by adopting plan to use water according to EIA measure and plan to maximize use of limited water supply in addition to applying 1A3R principle as follows:

- Recycle water – waste water collected and treated according to EIA standard, then reused to water plants located away from areas used by passengers.

- Save water and reduce water loss – comply by Preventive Maintenance plan by daily check for water leakage, repair damaged sanitary wares, check amount of water used at each building on monthly basis by installation of water meter. If the amount used were to increase noticeably, find out why and take corrective action in order to reduce loss of water.

### 2.2 Waste Management





In awareness of how important it is to use resources wisely and reduce waste produce by the Company in sustainable manner, the Company announced a policy, effective in 2018, to reduce and manage waste materials produced by the Company in consistent with Social Responsibility

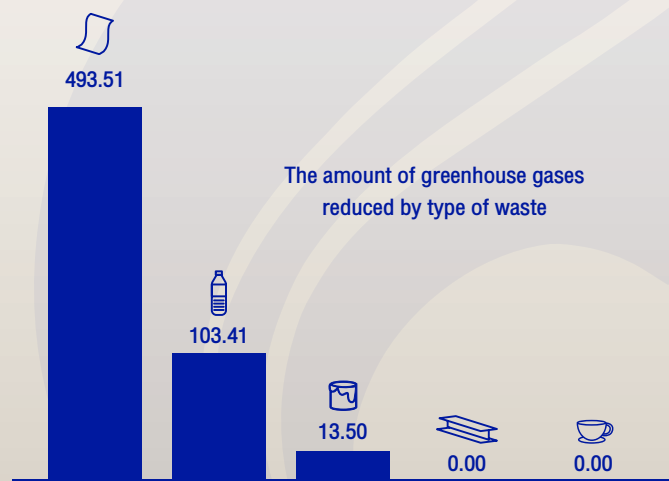
Management Policy and use as practical guideline by employees at all levels for example

- **Reduce waste** by application of 3R principle (reduce, reuse, recycle)
- **Reduce food waste** by prepare enough food as needed.
- **Separate waste produced** by the Company.

### Internal Waste Segregation Project

#### Summary of waste and greenhouse gas reduction from waste segregation for recycling

Waste type	Amount of greenhouse gases reduced
Paper 	493.51
Plastic 	103.41
Aluminum 	13.50
Steel 	0.00
Glass 	0.00
<b>Total</b>	<b>610.42</b>



## Implementation Benefit from waste separation No Garbage at Vipavadee

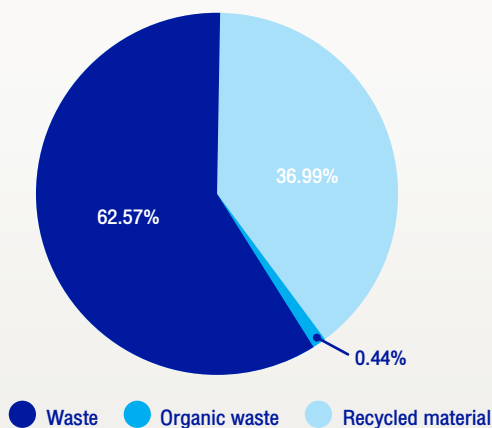
No Garbage at Vipavadee is a waste management project initiated by SET and launched on 4 December 2019 whereby listed companies and other offices located on Vipavadeerangsit Road were invited to participate in minimizing wastes materials produced in each organization by reduce, reuse and recycle, in order to reduce disposal of garbage by landfill resulting in reducing greenhouse gas emission.

## Report on the results of the waste separation of Bangkok Airways Head office

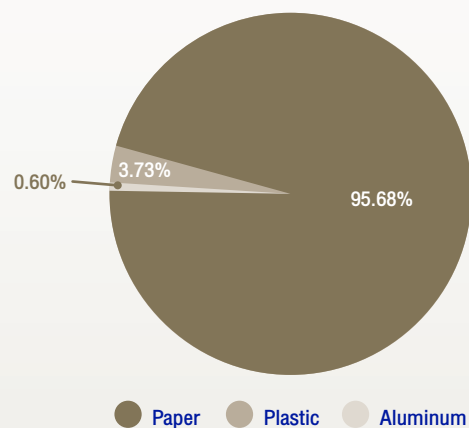
by GEPP Sa-Ard under the “Vibhavadi Zero Waste” project  
(Phase 2 :March-May 2022)



Proportion of waste types (kg)



Proportion of recycled materials per year (kg)



### Samui Airport, Sukhothai Airport, Trat Airport

In 2022 the amount of waste matters collected at the airports was more than in 2021 when the Covid-19 pandemic disrupted air travel and fewer passengers used the airports. However these airports were able to manage wastes by applying a system for collecting each type of waste and by joining Environmental Friendly Airport Project, thus were able to learn how to re-cycle wastes instead of sending to landfill. A waste management campaign to Reduce, Reuse and Recycle wastes was introduced at each airport, participated by employees,

outsourced personnel, passengers and shops located in the airports.

Waste matters collected were separated into 4 categories,

- **Food waste** – use as animal feed, fertilizer
- **Recycle waste** – put up for sale
- **Hazardous waste** – send for disposal by officially approved company
- **Contaminated waste** – send for proper disposal

### 3. Energy Management

The Company is committed to manage energy consumption in the organization with consideration of maximum benefits and sustainability by raising awareness among employees, participate in energy assessment through various organizations to reduce energy waste, promote efficient cost management and take part in conservation of the environment.

#### Samui Airport, Sukhothai Airport, Trat Airport

The airports have continuously implemented the Energy Saving Policy such as

- Replacement of fluorescent light bulbs by LED bulbs which consume less electric power with long life span helped to reduce expense. Containing no mercury and producing less heat they are friendly to human and the environment.
- When replacing new air conditioner, choose one with R32 refrigerant, to save energy and reduce global warming .
- Save electricity in office buildings and ensure consistent maintenance of electrical equipment and appliances
- Turn off electrical lights and equipment when not in use.
- Plan has been set to install and use additional solar cell.



### 4. Pollution Management.

#### Samui Airport, Sukhothai Airport, Trat Airport

Annual check of the environment and management of pollution conducted at Samui Airport, Sukhothai Airport and Trat Airport on annual basis.

#### Water quality check.

Quality of waste water complied with the standard announced by Ministry of Natural Resources and Environment.

#### Air quality check

Air quality in the environment complied with the standard announced by Ministry of Natural Resources and the Environment

#### Noise check

Level of noise in general complied with standard announced by Ministry of Natural Resources and Environment.





# Social dimension

## Policy and guideline

The Company recognizes that it is essential to treat all stakeholders based on human right principles without discrimination of gender, age, ethnic background or religious belief, particularly treatment of employees – the mechanism that drives corporate growth - and treatment of the community. As the main operator at Samui Airport, Sukhothai Airport and Trat Airport, the Company is closely responsible to ensure the communities around the airports or general public are not adversely affected by operation of the business, to promote sustainable community engagement and to enhance quality of life for members of these communities.

With the goal to enhance the strengths of the communities around the three airports, the Company implemented community relation projects by joint development of communities, establishing and maintaining a mutually beneficial relationship with the community, monitoring and improving work process that may risk causing negative impact on the community. The Company implemented two projects “Community of Love” and “Love Earth, Save Earth” annually through appropriate management of resources to enable the Company and the community to co-exist harmoniously with the Company gaining a License to Operate.

## Social implementation

### Safety

The Company received flight operation license under the terms of Air Operator Certificate granted by Civil Aviation Authority of Thailand (CAAT), complied with terms of the International Civil Aviation Organization (ICAO) and is a member of the International Air Transport Association (IATA).

The Company conducts business with safety as its first priority in the belief that highest standard of flight safety is the foundation for gaining confidence and trust from all groups of stakeholders, particularly passengers, when impressed by high safety standard would choose to travel with the Company and motivated to return to use the service in the future.



## Safety Mission

“Committed to observe and maintain international safety standard in both flight operations and ground operations”

# Safety Policy

1. Safety Management (including Safety Management System) is the main responsibility of management and all employees. All executives are ready to provide resources and promote safety reporting under Just Culture, and have already implemented Protection of Safety Data which promoted sustainability of Safety Culture for efficiency in performance of duties and in exchange of safety information.
2. Develop and observe hazard identification process and risk management process to eliminate or mitigate safety risks by defining Safety Performance Indicator (SPI), Safety Performance Target (SPT) and real target resulting to continuous improvement of efficiency and achievement of safety target.
3. All employees shall attend safety training courses as appropriate to their assigned positions to gain safety knowledge, skills and expertise, as well as to promote positive attitude and performance potential in line with safety strategy and process.
4. Clearly define role, duties and responsibilities of employees to achieve efficiency in performance of safety.
5. Build confidence among employees that person sending safety report through SMS with concern over safety will not be punished, although the incident may happened through performance of duty or refrain from performance of duty or decision making based on own experience, education or training, or a result of human error but with pure intention to work, except when caused by negligence of or indifference to work, deliberate violation or disobedience of rules or with intention to put other people in danger, all of which will be considered according to company regulation
6. The Company shall observe legal requirements, regulations, standards and suggestions from regulatory authorities in Thailand and abroad, to maintain its Air Operator Certificate including compliance to rules and practices recommended by other aviation associations, aiming for implementation result to be higher than standard thus leading to highest level of safety

## Implementation




The Company adopted SMS aligned with international standard as guideline for defining manuals and flight operations to achieve maximum safety by applying SMS according to the policy formulated by highest management committee such as promotion of Just Culture and Safety Reporting Culture; Quality Management System by arranging Quality and Safety Audit internally to enhance confidence and continuously maintain highest safety level; regular assessment of safety level including target setting to improve and increase efficiency of safety performance.

Proactive Safety Management System (SMS) has also been adopted by introducing innovation to support and set emergency response plan which has been well received and complimented by regulatory agencies and alliance in Thailand and abroad.



**Safety Management System Framework**

In management of safety, the Company considered all dimensions related to the economy, society and the environment of all stakeholders – employees, customers, users of company products and services, business, code share and interline partners, the community/society and government offices or Civil Aviation authorities, regulators and associations.

	<ul style="list-style-type: none"> <li>• <b>Safety Policy and Objectives:</b> Top management formulate policy and objective that can be quantitatively measured, clearly define safety responsibility through out the organization and top management responsibility to participate in quarterly review meeting for management of SMS.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Safety Risk Management:</b> Support safety report - the basis of safety culture – throughout the organization; manage risk to eliminate or mitigate risks; assess, control and reduce operational risks.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Safety Assurance:</b> Ensure continuous improvement of SMS; consistent monitoring of safety performance; efficient Management of Change to prevent risk factors arising from such changes.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Safety Promotion:</b> Arrange compulsory safety training courses for all employees as suitable to their positions or assignments; develop awareness and positive attitude towards safety and enhance potential of employees to perform duties according to safety process and strategy by continuous communication of safety information.</li> </ul>

### Safety at work

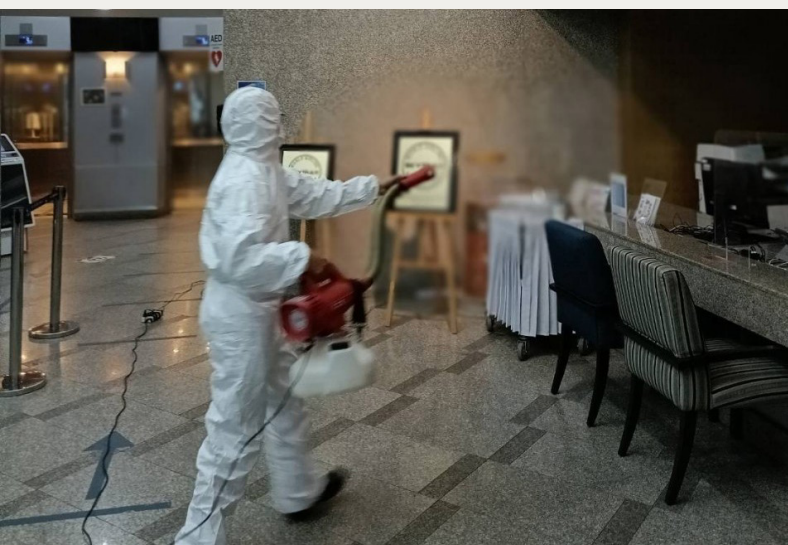
The Company takes responsibility to ensure lives and belongings of employees and customers present in the building are always safe and is commitment to strictly observe labor laws.

Safety officers and Occupational Safety, Health and Workplace Environment Committee coordinate with other projects to support and to achieve sustainable safety management with various forms of support and promotion of safety as follows:

#### Implementation

- Safety publicity. Share safety information once a month via OSH/Safety News Alert to raise employee awareness and participation such as
- Spray insect repellent for control and prevention of disease twice a month

- Organize and review training on basic life saving for relevant employees at Head office to perform CPR and use AED for survival of victim before reaching the hospital.
- Install VI films for protection of virus and bacteria at Head Office in order to increase safety for employees and customers present in the building
- Clean water tanks located on the roof top and under Head Office building annually according to procedures set by Bureau of Food and Water Sanitation, Department of Public Health.
- Conduct emergency exercise in case of chemical leak, enhance competency and efficiency of chemical leak management team, communicate and plan team work systematically.
- Take care and check fire extinguishers in the buildings regularly.



\* Arrange basic fire fighting course to enable employees to extinguish the fire safely.

\* arrange fire drill and evacuation exercise annually

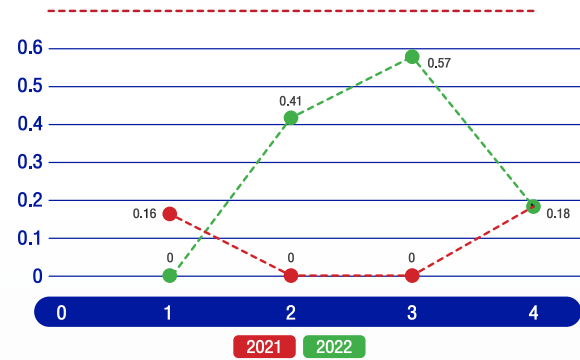
\* Check work environment such as check adequacy of light in the work place, take care that the environment is not hazardous to health of employees

\* Set Occupational Safety, Health and Workplace Environment Committee meeting to review safety performance once a month

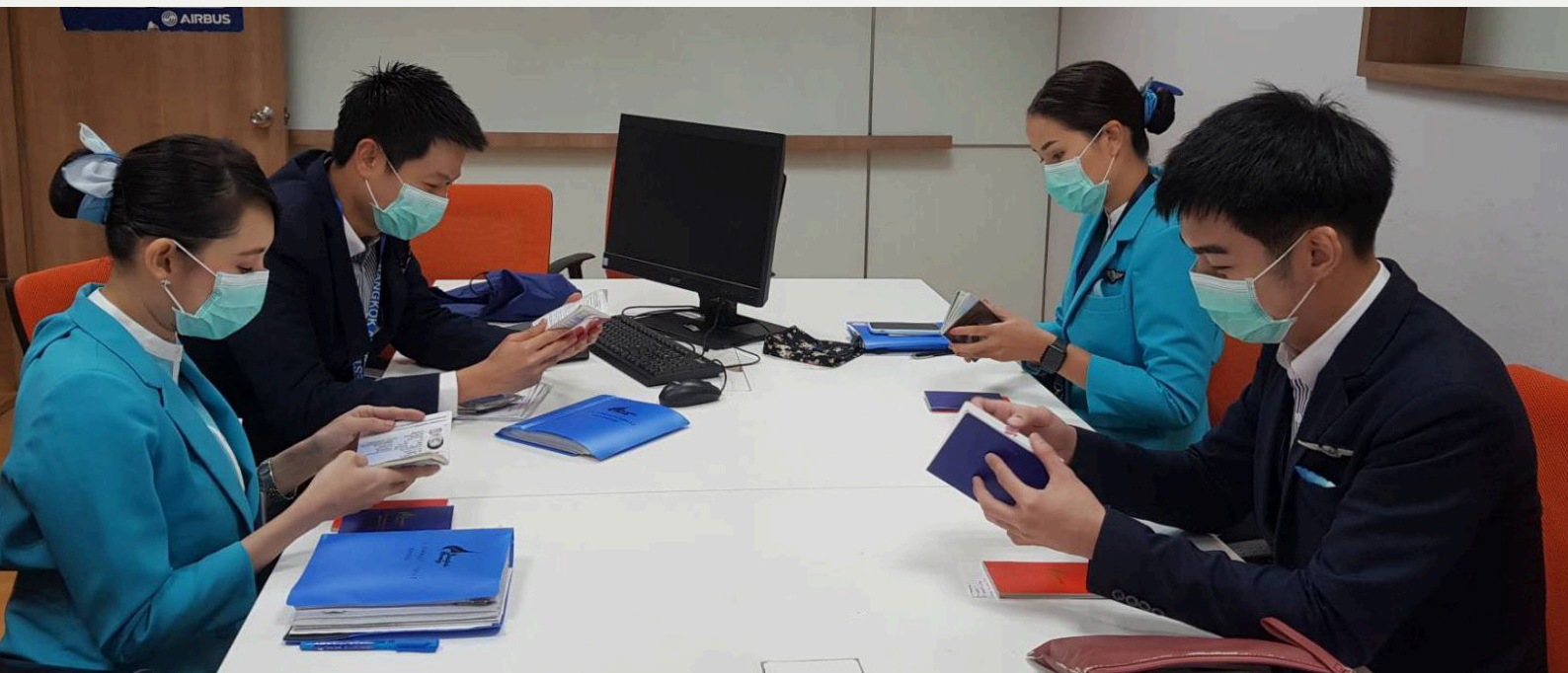
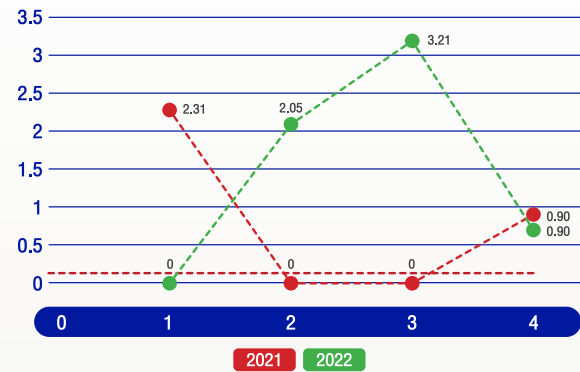
\* Assess risks in the work place of employees involved with dangerous chemicals, identify danger and follow up, continuously offer advice to ensure safety for employees.

\* Prepare and review SMS manual to ensure implementation and management of safety is correct, suitable and up-to-date in line with the regulations because safety is considered as key success factor in operation of the business.

**Injury Frequency rate I.F.R <0.75 (Quarter Frequency)**



**Injury Severity Rate I.S.R <0.25 (Quarter Frequency)**



# Employee motivation and retention

## \* Respect human rights and fair treatments to all

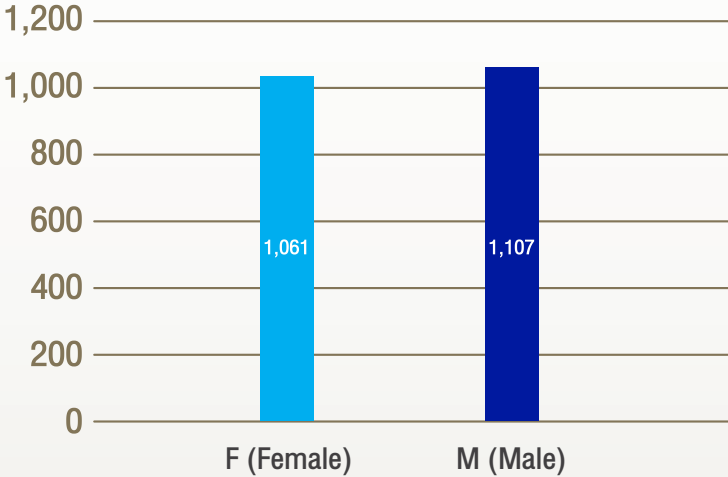
- **Employment**

Employment by the Company for all positions of work is conducted in fairness without discrimination of gender, race or religion. As on 31 December 2022, there are 2171 employees with diversity of age, gender and religion.

- **Fair treatment to all employees**

The Company set Employees Rules and Regulations adhering to guidelines for employees according to labor law and Employee protection Act without any exception, treating employees with fairness in terms of compensation, training, personnel development including employee protection, providing a legitimate and fair channel for employees to raise complaints and organizing activities to strengthen relationship between employees in all levels.

Number of Employees by Gender (2,168 People)



### Compensation and benefits

The Company set Compensation Policy to ensure employees are compensated in an equitable manner at rate competitive in the market and to create a sense of job security, providing opportunities for employees to move up in their career.

With regard to benefits offered by the Company, employees receive legal benefit through contribution to

social security payment and additional benefits such as medical expenses, life insurance, health insurance, complimentary air tickets etc.

In 2022 compensation paid to employees, consisting of salary, wages, overtime payment, other personnel payments and contribution to Provident Fund amounted to 1,166 million baht (as on 31 December 2022).

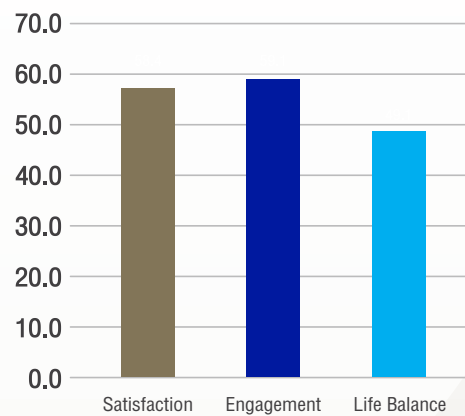
## Financial Security Guideline

The Company promotes channels for employees to save up for the future by becoming members of the Provident Fund or the Company Saving Cooperative to create financial security.

## Measurement of employee happiness 2022

The Company conducted a survey under three headings – Satisfaction, Commitment to the organization and Work-Life Balance. Resulting from the survey, it was found that employees are satisfied with work, are committed to the organization but work-life is not balanced with an average score of 49.1%. They were unable to manage the time used for personal life and for working and unable to handle personal problems and work problems well enough.

In this case another style of work was introduced allowing some employees, in some departments to Work From Home based on conditions set by the Company.



## Promotion of People with disabilities

In compliance with the policy on Promotion of Persons with Disabilities and with permission granted by Bangkok Employment Office Area 9, in 2022 the Company supported 21 disabled persons in Samui, Trat and Sukhothai by contribution of cash to finance their occupational activities or in return for service rendered.



	2020	2021	2022
Remittance money to the fund under section 34	25		
Other supports under Section 35		23	19
Contract service under Section 35			2
<b>Total number of disability worker (Person)</b>	<b>25</b>	<b>23</b>	<b>21</b>

## Evaluation of performance

Annual performance evaluation is a measurement of performance by employees so they are able to acknowledge their own work efficiency and receive feedback from superiors. Two parts of the evaluation are:

1. **Evaluate result of work**, both quality and quantity, applicable to employees not evaluated by KPIs.
2. **Evaluate core value**, leadership competency and functional competency

Evaluation results are used to consider payment of compensation and benefits for employees as appropriate to result of work and qualifications of employees and also used to support planning for more efficient development of employees' knowledge and skills.

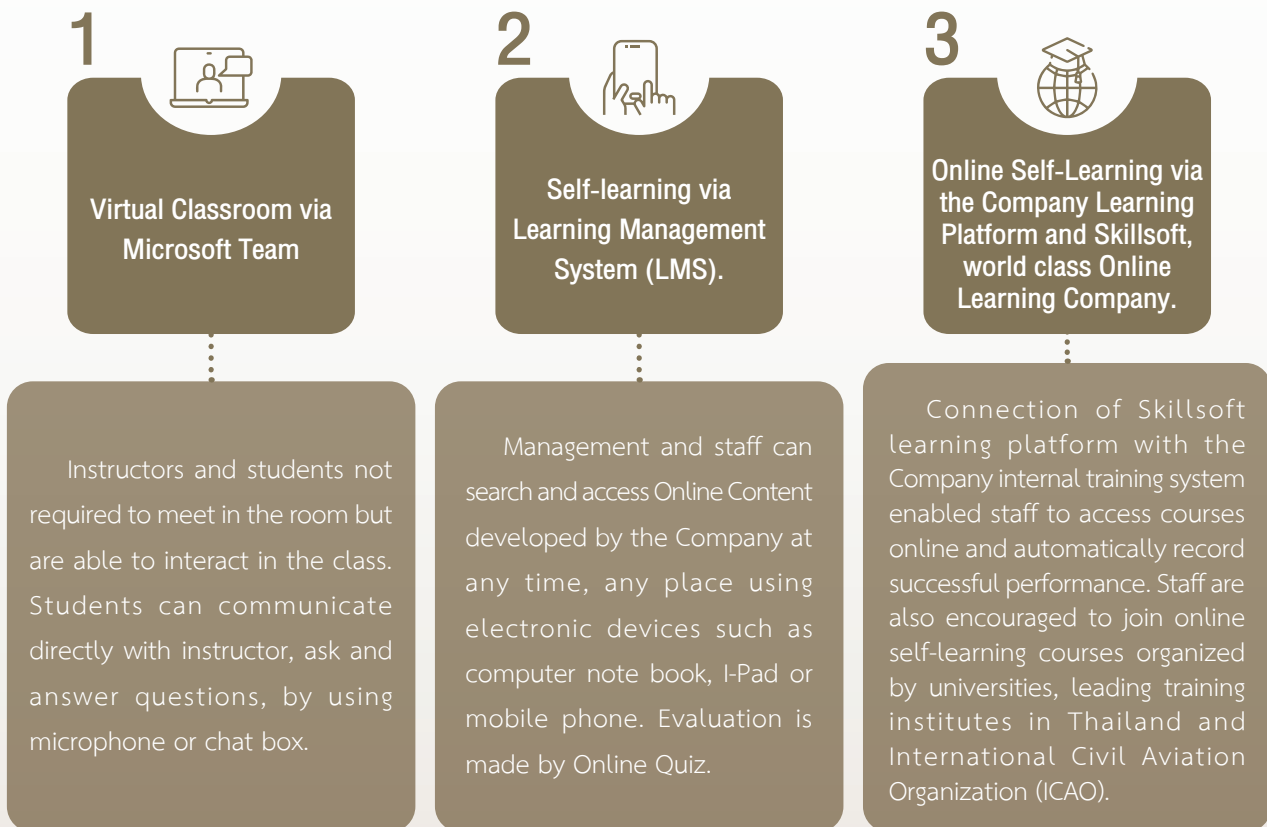


# Personnel Development Policy

In response to commitment by the Company to promote and support development of staff potential and support business drive of the organization to fulfill and sustain needs of all groups of stakeholders, the Company provided internal and external training to all levels of management and staff, in line with Bangkok Airways' Training Development Framework that include Core Values, Core Competency, Leadership Competency. In addition Functional or Specific Training is also provided to maintain standard of performance according to aviation industry requirements at national, regional and international levels and to help staff to gain appropriate knowledge and skills to enable them to

perform duties according to standard, laws, rules, regulations and requirements of related aviation industry. Furthermore the Annual Training Plan also included other suitable subjects in consistence with the situation.

The Company launched personal development plan in consistence with Preventive Measure of COVID-19 pandemic to enable management and staff to continue to develop their potentials, knowledge and skills by adapting style of training to Online Training. Guideline for personal development by Multi-Platform Learning, as appropriate to development objective and subject content, in addition to internal training and classroom training with social distancing requirement, are as follows:



Proportion of Curriculum for Training Development of Management and Staff (sorted by proportion of total training hours).

Functional Competency Training to ensure performance of duties meets aviation industry standard and requirements at national, regional and international level. Functional Competency consists of curriculum specified by the law, rules and regulation as training course, with focus on maintaining safety standard

Core Competency emphasizes training according to guideline in Bangkok Airways Training Development Framework or other subjects in consistence with the policy and business strategy of the organization.

Leadership Competency. The Company selected Skillsoft courses such as Business Operation, Digital Transformation, Management and others to enable recently- appointed management and supervisors to develop knowledge and skills necessary to carry out their assigned duties efficiently. At the end of the course, management and staff are required to take a learning survey, the result of which is used as guideline to apply and improve knowledge and skills gained for successful implementation in the future



# Personnel Development objectives

**“Support personal development and retain high potential employees”**

## Development of employee potentials

The Company is aware that sustainable development of the organization with benefits to all stakeholders is based on continuous management and development of human resources. Therefore the Company focused on promotion of capabilities, knowledge and expertise of employees on regular basis through a variety of learning channels and courses such as General Training to gain

knowledge and skills necessary to perform duties in all functions in the Company; Functional /Specific Training to gain exact knowledge, skills and attitude needed by each line of work or position held by the employee for example in Flight Operation Department, Ground Operation Department and Airports Department etc.



“

The Company continuously supported executives and employees to develop their knowledge and skills so that they can perform duties to their full potential and also promoted career development through Individual Development Plan (IDP) which helped to motivate employees, boost morale and enhance organization engagement.

”

In addition to the above courses other learning activities were arranged through Microsoft Teams to promote knowledge sharing and provide opportunities for executives and employees to exchange ideas, share experience, ask and answer questions. In the past Personal Development was offered equally among all

employees without any prejudice of gender or age to enhance general and specific knowledge and skills, resulting in the employees gaining higher efficiency in performance of duties and able to respond to the Company’s policies, strategies and targets effectively.

### Personnel Development Summary

Average 2020	2020	2021	2022
Executives and Employees	56.47	69.13	57.13

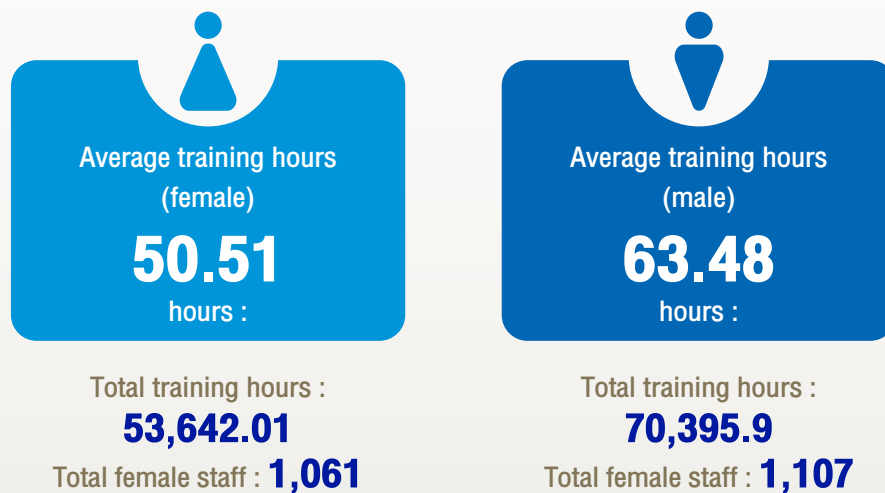
Note: Reference information from PG-HRC System as on 31 December 2022

## Average training hours per person per year in 2022

(classified by level)



Average training hours per person per year (classified by gender)



Total training hours (classified by age)



Note: Reference age statistics from <https://en.wikipedia.org/wiki/Generation>

# Personal Development implementation 2022

Group of courses	Training objectives	Training result 2022 Proportion of training hours
Specific Training according to line of work to ensure performance conducted in consistent with standard and requirement of aviation industry at national, regional and international levels	To develop specific knowledge, skill and attitude for employees in various positions e.g. pilots, cabin crew, ground operation officers, ground service officers, lounge service officers, cargo service officers and aircraft mechanics to ensure the work is conducted correctly in line with required standard.	Total training hours <b>11,7510.01</b> hours <b>(94.73 %)</b>
General Training	To develop knowledge, skills and attitude of employees at all levels and positions to enhance competencies in performance of duties at present time and be ready to be promoted to higher positions (Career Development) with focus on development in following areas - Customer Services - Business Communications - Process Improvement - Personal Productivity - Innovation - Virtual Collaboration - Cross-Functional Collaboration - Digital Transformation Technology	Total training hours <b>5408.9</b> hours <b>(4.36%)</b>
Train the Trainer	To promote and develop company's instructors to gain skills, knowledge and understanding in their roles and responsibilities with positive attitude as instructors, having the abilities to transfer knowledge to students correctly, design course, manage teaching and learning appropriately and efficiently to maintain knowledge of the Company.	Total training hours <b>891</b> hours <b>(0.72 %)</b>
Airline Business Management	To develop and top up knowledge in management of airline business for executives at management level and above relating to Aviation Industry rules and regulations, Aviation Safety and Security, Strategic Aviation Business Planning and technologies relating to Airline Business etc.	Total training hours <b>228</b> hours <b>(0.18 %)</b>
Leadership Development Program for Management Level	To develop knowledge and competency of leaders in Business Operations, Business Strategy, Leading Team, Measuring and Managing Performance including any other Leadership and Management Skills necessary for executives at management level to enable them to perform their duties efficiently in response to company policies	Total training hours <b>156</b> hours <b>(0.13%)</b>
Supervisory Skills and Leadership Development	To develop knowledge and competency in Goal Setting, Decision Making, Critical Thinking, Team Management, Coaching, Giving and Receiving Feedback and other Leadership and Management Skills necessary for supervisors to gain appropriate skill for team management.	Total training hours <b>100</b> hours <b>(0.08%)</b>



## Knowledge Management (KM)

### Knowledge Management Objectives

The objectives of knowledge management (KM) are to create a process to ensure knowledge contained in the Company can be consistently sourced, compiled, stored and transferred so that employees with access to such knowledge are able to perform duties efficiently

and maintain key knowledge within the Company including to support the culture of continuous learning. With the help of all departments the Company organized Knowledge Sharing sessions for at least one subject in a year, a step for the Company to become a sustainable learning organization.

### Knowledge Management Implementation 2022

#### The Company prioritized and supported

The Company continued to focus and support Knowledge Management (KM) and in 2022, applied new models for implementing KM so that it is up-to-date, flexible to existing situation, in consistent with and appropriate to current organizational context. The Company set different methods for knowledge transfer as follows:

1. One-way knowledge transfer e.g. sharing knowledge through IT systems (Knowledge Blog/Site), on-line magazine, keeping documents/manuals updated in relevant systems and Knowledge Capture etc.

2. Two-way knowledge transfer e.g. Exchange knowledge and experience with internal and external experts (PG Talk), Knowledge sharing with experienced employees who will be retiring in the near future etc.

In 2022, 73 subjects of knowledge were uploaded on Knowledge Blog and all 24 departments/divisions in the Company participated in Knowledge Sharing sessions.

## Knowledge Sharing 2022



### PG Talks

- Dangerous Good
- Social Distancing
- Financial Planning



### Knowledge Transfer & Sharing

Transfer knowledge by retiring employees in Ground and Cargo Operations

- GSE Service to PG
- GHC Pickup Maintenance Tips
- Rostering Technique
- Service Provider Liaison Technique – BUG Be Gone
- Form Filling Technique – GHC Evaluation/ Monitoring Report
- Data Recording Technique – GHC Report etc



### KM Blog/Site : PG Online

- Data leak
- Protection against spam mail
- PDPA
- How to manage Transit/transfer passengers



### Knowledge Forum

- Pilot Circular Review
- \* Automatic calculation of maintenance cost.
- \* Storage system of ITSM agreements
- The first Thailand's air and space law Colloquium
- Cyber security Awareness



# Data Security

## Customers related

### Personal Data Management

In recognition of the significance of Personal Data Protection for customers and all stakeholders, the Company set Personal Data policy and guidelines in consistent with Personal Data Protection Act (PDPA) B.E.2562 (2019) and other related standard. Corporate Governance Committee is directly responsible for supervision of the policy and assigning related functions and Personal Data Protection Officers as Policy Driver, putting the policy into practice.



## Personal Data Protection Guideline according to PDPA

### Data Collection

Limit collection of data as necessary for conducting services, legal actions or as permitted by data owner.

### Data Use and Disclosure

Use and disclose data according to purposes stated in PDPA announcement or to observe an agreement or the law or for legitimate interest.

### Data Retention and Deletion

Ensure sufficient and appropriate measures are in place to retain and protect the data, determine data retention period, delete data at end of useful or retention period or at the request of data owner.

### Right of Data Owner

Provide an e-mail address [dataprivacy@bangkokair.com](mailto:dataprivacy@bangkokair.com) to support the right of data owners to exercise their legal rights



## Employees related

### PDPA Awareness Training

In 2022 the Company invited legal consultants to share knowledge relating to Personal Data Protection Act B.E. 2562 (2019) with executives and employees and also organized two activities to communicate the Company's PDPA policy and guidelines.

# Community and Social Engagement

In 2022 the Company continued to help people with disabilities around Samui Airport and Sukhothai Airport by creating jobs or contributing cash. This project was

well-received as it provided highest and direct benefits to the target group.



- Optimize company's budget
- Persons with disability can work in hometown
- Recognized own value and can support own family
- Do not feel inferior or being the burden of the family

Poverty eradication

Reduce inequality

Decent work and economic growth

Business Partner for Sustainable Development

### “โครงการข้าวสารเป็นสุข”

พนักงานชุมชนสัมพันธ์ดำเนินกิจกรรมมอบข้าวหอมอินทรีศรี จากโครงการเกษตรอินทรีย์ สนามบินสุโขทัย ให้กับชุมชน เป็นส่วนหนึ่งในการลดค่าครองชีพให้กับชุมชน โดยเฉพาะครัวเรือน ที่มีผู้ป่วยติดเตียง ผู้พิการ และผู้ยากไร้ ซึ่งเป็นกลุ่มที่มีรายได้น้อย หรือ ไม่มีรายได้ นอกจากนี้ยังช่วยสร้างความสัมพันธ์ที่ดี และภาคความรู้จักสมาชิกชุมชน ผ่านการลงพื้นที่เยี่ยมเยียน โดยมีข้าวสารเป็นสุขเป็นของเยี่ยม

**การดำเนินงาน**

หมู่บ้านหนองบัวทอง ตำบลท่าทอง จำนวน 20 หลังคาเรือน

ตำบลคลองกระเจิง จำนวน 40 หลังคาเรือน ตำบลหนองกลีบ จำนวน 13 หลังคาเรือน

หมู่บ้านหนองสูง ตำบลท่าทอง จำนวน 20 หลังคาเรือน

**งบประมาณ = 16,200 บาท**

กรกฎาคม	สิงหาคม	กันยายน	ตุลาคม	พฤศจิกายน	ธันวาคม
จำนวน 100 ถุง/kg	จำนวน 100 ถุง/kg	จำนวน 100 ถุง/kg	จำนวน 100 ถุง/kg	จำนวน 100 ถุง/kg	จำนวน 100 ถุง/kg
ตำบลย่านยาว จำนวน 20 หลังคาเรือน			ตำบลหนองกลีบ จำนวน 20 หลังคาเรือน		ตำบลคลองกระเจิง จำนวน 12 หลังคาเรือน ตำบลย่านยาว จำนวน 4 หลังคาเรือน ตำบลท่าทอง จำนวน 4 หลังคาเรือน

จำนวนข้าวสารที่แจกจ่าย = 600 กิโลกรัม  
จำนวนครัวเรือนที่ได้รับ = 153 หลังคาเรือน

## Gift of Rice

Communities around Samui Airport, Trat Airport and Sukhothai Airport were given a total of 4137 bags of rice. The contribution helped to reduce cost of living and strengthen relationships in the communities.

Amount of rice (bags) donated to communities at 3 airports Estimated value (THB)

Amount of rice (bags) donated to communities at 3 airports	Estimated value (THB)
4,137	119,520





## School Building

Construction of a 3-storey building for Wat Boontarikaram School, Koh Samui, Surat Thani Province. At cost over 11 million Baht the project was co-sponsored by Bangkok Airways associated companies, subsidiaries and BDMS Group of companies.



## Love Earth, Save Earth: Love Samui, Save Coconut Trees 6<sup>th</sup> year)

Representatives from Bangkok Airways, government offices, schools including general public helped to plant coconut trees at Wat Makam, Koh Samui, Surat Thani Province.



## Community Care

Medical equipment such as thermometers, blood pressure monitors, wheel chairs and oximeters were distributed to district hospitals at Tambon Nong Glab, Klong Krajong and Yan Khao.



## Planting Mangrove Trees (5<sup>th</sup> year)

Love Earth Project – conservation of natural resources by planting mangrove trees, releasing young fish and shrimps, collecting garbage , enhancing awareness of mangrove conservation and restoration at Haad Sai Dum Beach, Lam Ngob, Trat Province



2017



2022



## Career rehabilitation - producing oyster farming materials

Villagers in Ta-soom, Trat Province were taught to make clutches as base for young oysters to grow, instead of buying them as before. This career rehabilitation project not only reduced costs for oyster farmers but also generated household income and promoted close relationship of people living in the community.



## Youth Education Project

In consistent with the United Nations Sustainable Development Goals on education “to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”, in December 2022 Bangkok Airways founded the first Youth Education Project in Trat province. Primary school children and their teachers from Wat Salak School, Khao Saming District were invited on an educational outing - a visit to Trat Museum and Trat Airport with a view to raise awareness and appreciation of their hometown through informal training.



# Management's Discussion and Analysis

For the period ending 31 December 2022

Bangkok Airways Public Company Limited and Its Subsidiaries

## Bangkok Airways Public Company Limited and its Subsidiaries

Management's Discussion and Analysis for the period ended 31 December 2022

### Executive Summary

The aviation industry in all regions of the world has been driven to a huge recovery by removing travel restrictions from many countries and the great travel demands of passengers. However, the re-opening of many countries in Asia – Pacific region has allowed passengers and airlines to return to travel rapidly, both in domestic and international travel. In addition, China's re-opening policy might have a positive effect on international travel in the future. In the overall global aviation industry in 2022, the growth in revenue passenger kilometers (RPK) across all regions was 64.4 percent compared to 2021. Airlines in the Middle East had the highest growth, with an average of 144.4 percent, followed by airlines in Europe and Africa, respectively. While the airlines in the Asia-Pacific region had a growth rate average of 34.0 percent. In terms of available seat kilometers, all regions grew by 39.8 percent in 2021. The airlines in the Middle East region had the highest growth rate at 67 percent, followed by airlines in Europe and Latin America, respectively. For the airlines in the Asia-Pacific region, the growth rate of available seat kilometers was 16.8 percent. Overall passenger load factors in all region was 78.7 percent which increased by 11.8 percent when compared to the same period last year. (Source: International Air Transportation Association: IATA)

Tourism in Thailand in Q4/2022 has a significant growth compared to the fourth quarter of 2021, with a cumulative number of foreign tourists totaling 5,464,991 people. This is the result that Thailand has fully opened the country to allow tourists to enter again in early July, causing surge number of foreign tourists to Thailand. (Source: Ministry of Tourism and Sport)

In the year 2022, the Company operated twenty-four

routes, comprising seventeen domestic routes and seven international routes. The flight frequencies were gradually increased to match higher travel demands, such as Bangkok-Samui, Bangkok-Chiang-Mai, Bangkok- Phnom Penh, and Samui-Singapore. The international routes were significantly resumed since the third quarter of the year 2022, including Bangkok-Maldives, Bangkok-Siem-Reap, Bangkok – Yangon, and Bangkok- Danang. As a result, the overall capacity in the year 2022 was reported at 3.4 million seats, of which 40.4 percent recovered from the pre-COVID-19 level. For this year, the Company carried 2.7 million passengers and operated 29,892 flights, increased by 394.8 percent and 243.8 percent respectively compared with the year 2021. The overall load factor was 76.1 percent, growing by 17.5 percentage points from the previous year

In the year 2022, the Company reported a loss from operation of 889.3 million baht, improved by 1,643.2 million baht or 64.9 percent from the year 2021. The increment was from a rise in total revenue at 7,073.6 million baht, which grew by 124.8 percent from last year. An increase in total revenue was from the growth of airline passenger revenue by 609.8 percent, airport business revenue by 465.4 percent, and airport-related business revenue by 71.6 percent respectively. While the total expenses increased by 69.0 percent or 5,622.0 million baht, mainly increasing from fuel expenses, aircraft maintenance expenses, and passenger services. The Company reported net loss for the period at 2,125.9 million baht, of which the loss attributable to the equity holders of the Company was 2,110.2 million baht. Loss per share for the period was 1.01 baht.



## Notable Events Year 2022

- The Company sold all the treasury stocks through the Stock Exchange of Thailand (SET), with a total amount of 40.0 million shares, or 1.9 percent of total shares. The total proceeds were 390.9 million baht.
- The Company signed a Memorandum of Understanding (MOU) on Academic Cooperation in Aircraft Maintenance Training with the Civil Aviation Training Center (CATC). The main objective is to jointly develop programs that train high-quality aircraft technician personnel who can meet the needs and requirements of the aircraft maintenance industry.
- The Company has been voted the winner of two prestigious awards: The World's Best Regional Airline and The Best Regional Airline in Asia from Skytrax. This is a remarkable achievement for the Company as it has now won these two titles for six consecutive years. In addition, the airline was also ranked 23rd in the Top 100 World's Best Airlines category.
- Bangkok REIT Management Company Limited, a subsidiary of the Company, as the REIT manager of BA Airport Leasehold Real Estate Investment Trust ("BAREIT"), raised a fund of 14,300 million baht and listed BAREIT on The Stock Exchange of Thailand on September 14, 2022
- Samui Airport, the first privately owned and managed by the Company, received a Public Aerodrome Operating Certificate from the Civil Aviation Authority of Thailand (CAAT).
- Samui Airport and Trat Airport received two honorable Green Airport 2021 plaques (Silver and Bronze) from the Department of Environmental Quality Promotion. The Silver Award was presented to Samui Airport for its unique and environmental-friendly style and design that promotes energy conservation. The Bronze plaque was presented to Trat Airport for its excellence in resource management and efficient use of energy.

## Management's Discussion and Analysis

Bangkok Airways is a full serviced airline providing premium service to passengers. The company owns and operates three airports which are Samui Airport, Trat Airport, and Sukhothai Airport. In addition to airline and airport businesses, it operates airport-related businesses, which include passenger and ramp services, catering services, and international cargo.

The consolidated financial statement of the Company consists of Separate Financial Statement and Financial Statements of the 16 subsidiaries that include: 1) Bangkok Air Catering Company Limited, 2) Worldwide Flight Services Bangkok Air Ground Handling Company Limited, 3)

Bangkok Airways Ground Service Company Limited, 4) Bangkok Airways Holding Company Limited, 5) SA Services Company Limited, 6) BFS Cargo DMK Company Limited, 7) BAC Gourmet House Company Limited, 8) Bangkok Air Catering Phuket Company Limited, 9) Gourmet Primo Company Limited, 10) Bangkok Air Catering Samui Company Limited, 11) Bangkok Air Catering Chiang Mai Company Limited, 12) More Than Free Company Limited, 13) Bangkok Air Aviation Training Center Co., Ltd, 14) Bangkok Air Catering Don Mueang Co., Ltd, 15) Bangkok REIT Management Co., Ltd, 16) Bangkok Airport Management Co., Ltd.

## Airline Operating Data

	Unit	January-December	
		2022	2021
Number of scheduled passengers carried	Thousand	2,653.6	536.3
Number of flights flown	Flights	29,892	8,694
Revenue Passenger Kilometers (RPK)	Million Passenger –Kilometers	1,645.9	313.8
Available Seat Kilometers (ASK)	Million Seat –Kilometers	2,163.7	535.3
Passenger Load Factor	Percentage	76.1	58.6
Seats	Thousand	3,453.0	908.9
Aircraft utilization <sup>(1)</sup>	Hour per day per Aircraft	5.6	3.8
Average Stage Length	Kilometers	620.3	585.1
Number of aircraft at period end	Aircraft	35	37
Passenger Yield <sup>(3)</sup>	Baht per Passenger –Kilometer	5.08	3.62
Revenue ASK (RASK)		4.54	3.93
Cost per ASK (CASK)	Baht per ASK	5.28	10.96
RASK – CASK		(0.74)	(7.03)

### Remarks:

- (1) Calculate from operating aircraft only
- (2) Including aircraft waiting for return and sale according to the agreement year 2022
- (3) Scheduled passenger revenues, including fuel surcharge and insurance surcharge, but excluding excess baggage, divided by RPKs.

## Operating performance summary for the period ended December 31, 2022

Unit: million baht

	January-December			
	2022	2021	Variance	
			Amount	%
Total revenue	12,742.1	5,668.5	7,073.6	124.8
Total expenses	13,767.1	8,145.1	5,622.0	69.0
Operating profit (loss) for the period <sup>(1)</sup>	(889.3)	(2,532.5)	1,643.2	64.9
Net profit (loss) for the period	(2,125.9)	(8,599.8)	6,473.9	75.3
Profit (loss) attributable to equity holders of the Company	(2,110.2)	(8,549.9)	6,439.7	75.3
EBIT <sup>(2)</sup>	(911.2)	(3,636.6)	2,725.4	74.9
EBITDA <sup>(2)</sup>	1,519.5	(1,294.4)	2,813.9	217.4
EBIT Ratio (%)	(7.5)	(101.5)	94.1	
EBITDA Ratio (%)	12.4	(36.1)	48.6	

### Remarks :

(1) Excluding gain(loss) from exchange rate, gain(loss) from derivative transaction

(2) EBIT, EBIT margins, EBITDA, and EBITDA margins are not standard measures, nor measurements of financial performance or liquidity, under TFRS and should not be considered alternatives to net profit (loss) or any other performance measure or as an alternative to cash flow from operating activities. Since there are various calculation methods, its presentation may not be comparable to similarly titled measures used by other companies.

For the year 2022, the Company reported an operating loss of 889.3 million baht, which was better by 64.9 percent, and had earnings before interest and tax, depreciation, and amortization (EBITDA) 1,519.5 million baht, improved by 217.4 percent from the year 2021. The better performance was from increasing revenue by 7,073.6 million baht or 124.8 percent. While

the total expenses increased by 5,622.0 million baht, or 69.0 percent, mainly from the cost of sales and services. The Company reported a net loss and net loss attributable to the equity holders during the period at 2,125.9 million baht and 2,110.2 million baht, respectively. Earnings per share were 1.08 baht.

## Revenues

Total revenues for the year 2022 were 12,742.1 million baht, which increased by 124.8 percent compared to the previous year. The revenue mainly derived from passenger revenue from the airline business, airport-related businesses, and airport business, which accounted for 66.3 percent, 19.9 percent, and 1.9 percent of total revenue respectively.

The company reported passenger revenue from the airline business at 8,451.1 million baht, which grew by 609.8 percent from the year 2021. The better performance resulted from a higher number of passengers from the cancellation of the test and go registration policy in July 2022. The Company carried 2.7 million passengers, increased by 394.8 percent compared with

the year 2021. While the passenger load factor was 76.1 percent, and the average fare of 3,150.8 baht per sector, improved by 48.7 percent compared to the year 2021.

The sales and services revenue from the airport-related business was 2,534.4 million baht, increased by 71.6 percent compared to the same period last year. The majority of revenue from sales and services was from Worldwide Flight Services Bangkok Air Ground Handling and Bangkok Air Catering, which reported at 1,425.0 million baht and 795.8 million baht respectively, from resumption flight operation of airline customers

The Company reported dividends received from marketable securities amounted to 516.8 million baht, decreased by 310.0 million baht, or dropped 37.5 percent compared with year 2021. The other revenues were 919.1 million baht, decreased by 42.4 percent or 676.3 million baht, which is mainly due to the lower revenue from breakage tickets and reversal of asset impairment during the period.

## Share of Profit from Investments in Associates

The Company reported a share of profit from associated companies for the year 2022 at 489.1 million baht, increased by 7.9 percent from the year 2021. The share of profit was mainly from WFS-PG Cargo Company which reported 474.1 million baht, grew by

4.6 percent from a higher tariff adjustment during the period. The Company reported a share of profit from BA Airport Leasehold Real Estate Investment Trust (BAREIT) at 70.3 million baht and a share of loss from U-Tapao International Aviation at 55.3 million baht.

## Expenses

Total expenses for the year 2022 were 13,767.1 million baht, an increased by 69.0 percent from the same period last year.

- Cost of sales and services was 11,523.6 million baht, which grew by 88.4 percent compared to the year 2021. The increasing amount was mainly from rising fuel expenses at 2,089.8 million baht or increasing by 652.2 percent due to higher consumption and average fuel market price. The cost of sales and services was mainly from the expenses of the airline business. That was mainly comprised of passenger services, salary and benefits, and aircraft maintenance, which accounted for 7.4 percent, 9.6 percent, and 14.2 percent of total expenses respectively.
- Total selling and distribution expenses were 797.7 million baht, which grew by 183.2 percent from the year 2021. The majority was from the booking and reservation expenses which accounted for 54.0 percent of total selling and distribution expenses. An incremental amount was mainly from usage of the reservation system as a consequence of a higher number of passengers during the period.

- The administrative expenses were 1,299.7 million baht, which increased by 2.4 percent compared to the year 2021. The decreased amount was system usage, rental expenses, and utilities.
- Financial cost reported at 1,489.5 million baht, increased by 17.8 percent from the year 2021. The major amount of financial costs were interest expenses paid to financial institutions.

On September 2022, the Company entered into a long-term lease agreement with the BA Airport Real Estate Investment Trust (BAREIT) for the land, structures, and components of certain parts of properties used in the operations of the Samui Airport for a period of 25 years with the value of 14,300 million baht.

Consequently, the transaction was classified as long-term financial liabilities in the consolidated financial statements and recognized financial cost over the lease term in a form that reflects the effective rate of return on the net financial liabilities under the lease agreement.

## Assets

As of 31 December 2022, the Company and its subsidiaries have total assets that amounted to 62,245.5 million baht, which increased by 13,306.6 million baht from 31 December 2021.

Unit: million baht

	As of 31 December 2022	As of 31 December 2021	Variance
<b>Current assets</b>			
Cash & cash equivalents	3,591.7	2,125.9	1,465.8
Trade and other receivables	1,184.8	372.6	812.2
Inventory	464.6	438.5	26.1
Other current financial assets	3,055.5	-	3,055.5
Other current assets	311.6	168.7	142.9
<b>Total current assets</b>	<b>8,608.2</b>	<b>3,105.7</b>	<b>5,502.5</b>
<b>Non-current assets</b>			
Investments in associates	4,844.6	2,226.3	2,618.3
Other non-current financial assets	32,556.0	25,965.0	6,591.0
Property, plant, and equipment	8,269.8	8,927.2	(657.4)
Right-of-use assets	5,419.2	6,966.4	(1,547.2)
Deposits	608.2	491.5	116.7
Other non-current assets	1,939.6	1,256.9	682.7
<b>Total Non-current assets</b>	<b>53,637.4</b>	<b>45,833.3</b>	<b>7,804.1</b>
<b>Total assets</b>	<b>62,245.6</b>	<b>48,939.0</b>	<b>13,306.6</b>



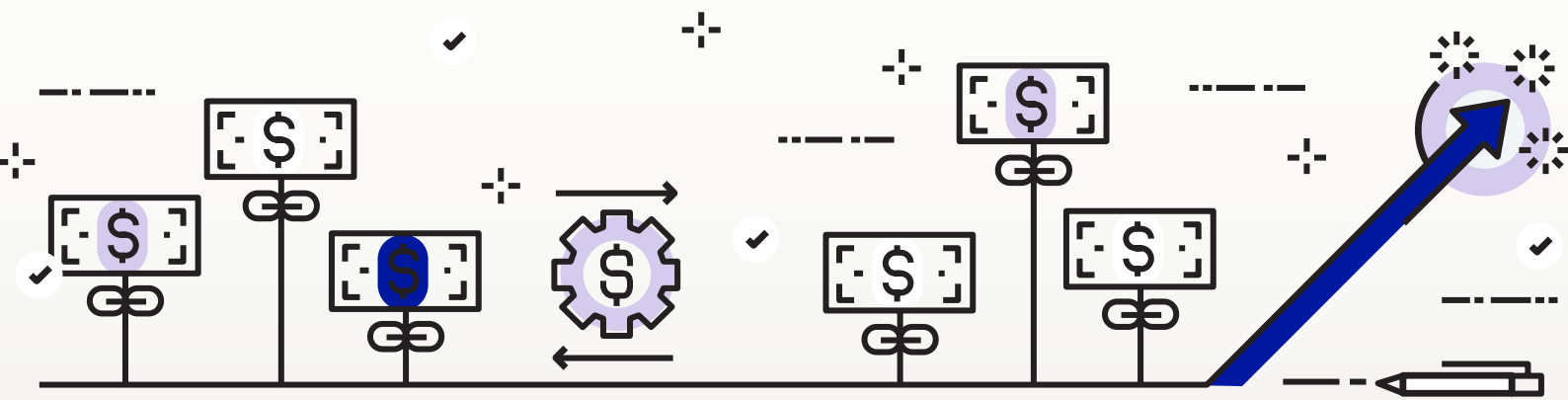
### Current assets

The total current assets of the Company as of 31 December 2022 were 8,608.2 million baht, which increased from 31 December 2021 by 5,502.5 million baht. This was mainly from:

- An incremental of 3,055.5 million baht from cash deposits reported in other current financial assets
- An increase of cash and cash equivalents by 1,465.8 million baht, mainly from the cash received from long-term financial liabilities from related parties, oper-

ating activities, dividends received from investment in associate and equity instruments. However, the Company reported cash paid for lease liabilities, repayment of long-term loan, and repayment of loan from related party during the period.

- Trade and other receivables increased by 812.2 million baht as a consequence of higher advance booking during the period.



### Non-current assets

The total non-current assets of the Company were 53,637.4 million baht, which increased from the year 2021 by 7,804.1 million baht. That was mainly from an increasing amount of 6,591.0 million baht from mark to market of long-term investments in marketable securities, and investment in associates amounted to 2,618.3 million baht from entering into BA Airport Leasehold Real Estate Investment Trust during the period.

Nevertheless, the Property, Plant and Equipment and Right-of-use assets were 8,269.8 million baht and 5,419.2 million baht respectively, declined by 657.4 million baht and 1,547.2 million baht respectively from depreciation during the period.

## Liabilities

As of 31 December 2022, the Company and its subsidiaries have liabilities amounted to 45,482.0 million baht, increased by 9,704.8 million baht from 31 December 2021 as follows:

Unit: million baht

	As of 31 December 2022	As of 31 December 2021	Variance
<b>Current liabilities</b>			
Short-term loan	767.9	917.0	(149.1)
Trade and other payables	1,557.8	967.4	590.4
Current portion of long-term loans	7,580.0	15,617.0	(8,037.0)
Current portion of long-term loan from related party	-	1,000.0	(1,000.0)
Current portion of lease liabilities	3,191.7	3,229.5	(37.8)
Unearned revenue	1,791.6	375.8	1,415.8
Current portion of long-term financial liabilities	92.5	-	92.5
Other current liabilities	2,245.1	1,696.8	548.3
<b>Total current liabilities</b>	<b>17,226.5</b>	<b>23,803.5</b>	<b>(6,577.0)</b>
<b>Non-Current liabilities</b>			
Long-term loans– net current of portion	6,763.3	4,540.1	2,223.2
Lease liabilities - net of current portion	530.0	2,128.6	(1,598.6)
Employee benefits	899.5	853.6	45.9
Deferred tax liabilities	5,650.9	4,311.0	1,339.9
Long-term financial liabilities - net of current portion	14,311.0	-	14,311.0
Other non-current liabilities	100.8	140.4	(39.6)
<b>Total non-current liabilities</b>	<b>28,255.5</b>	<b>11,973.7</b>	<b>16,281.8</b>
<b>Total liabilities</b>	<b>45,482.0</b>	<b>35,777.2</b>	<b>9,704.8</b>

## Current liabilities

Total current liabilities were 17,226.5 million baht, decreased from 31 December 2021 by 6,577.0 million baht, which mainly resulted from:

- A decreasing amount of 8,037.0 million baht from repayment of long-term loans during the period. Nevertheless, the Company has not received waiver letters from financial institutions due to non-compliance to financial covenants under the aircraft financial lease agreement of 9-ATR72-600 and long-term loan agreement.

Consequently, the Company has to re-classified of long-term loan amounting to 7,298.0 million baht to be part of the current liability during the period.

- A repayment of short-term loan and long-term loan from related party amounted to 149.1 million baht and 1,000.0 million baht respectively.
- An increasing amount of unearned revenue by 1,415.8 million baht as a consequence of higher advance booking during the period

## Non-current liabilities

The total non-current liabilities of the Company were 28,255.5 million baht, increasing by 16,281.8 million baht from 31 December 2021. That mainly resulted from the following:

- Long-term financial liabilities - net of the current portion increased by 14,311.0 million baht. That resulted from the Company entering transactions with BAREIT under long-term lease agreement for 25 years.

Deferred tax liabilities increased by 1,339.9 million baht from the changes in the market value of the available-for-sale investment in securities during the period.

- Lease liabilities - net of the current portion decreased by 1,598.6 million baht due to repayment of lease liabilities related to aircraft during the period.

## Shareholders' Equity

Unit: million baht

	As at 31 December 2022	As at 31 December 2021	Variance
Paid up capital	2,100.0	2,100.0	-
Premium on ordinary shares and capital reserve for share-based payment transactions	9,218.8	9,319.6	(100.8)
Treasury stocks	-	(464.9)	464.9
Other components of shareholders' equity	21,692.0	16,377.0	5,315.0
Retained earnings (loss)	(15,981.4)	(13,922.3)	(2,059.1)
Others <sup>(1)</sup>	(265.9)	(247.5)	(18.4)
<b>Total shareholders' equity</b>	<b>16,763.5</b>	<b>13,161.9</b>	<b>3,601.6</b>

### Remark :

(1) Comprised of discount on changes in shareholding in subsidiaries and non-controlling interests of the subsidiaries

As of 31 December 2022, the total shareholders' equity of the Company and its subsidiaries was 16,763.5 million baht, increasing by 3,601.6 million baht. That was mainly due to changes in the mark-to-market of long-term investments in marketable securities

amounted to 5,315.0 million baht. The Company reported a retained loss in the amount of 15,981.4 million baht, a further loss from the year 2021 by 2,059.1 million baht

## Statement of Cash Flow

Unit: million baht

	As at 31 December	
	2022	2021
Net cash flows from (used in) operating activities	1,568.3	(2,173.8)
Net cash flows from (used in) investing activities	(4,753.2)	6,025.9
Net cash flows from (used in) financing activities	4,650.6	(3,907.3)
Cash and cash equivalents at end of the period	3,591.7	2,125.9

### Cash flows from operating activities

As of 31 December 2022, the Company and its subsidiaries showed a gain from operating activities before changes in operating assets and liabilities at 993.7 million baht. The Company reported cash flows from operating activities at 2,324.3 million baht. Nevertheless, there was corporate income tax paid amounted to 756.0 million

baht, which mainly resulted from withholding tax paid from entering into BAREIT long-term lease transactions during the period. The net cash flow from operating activities as of 31 December 2022 was 1,568.3 million baht.

### Cash flows from investing activities

As of 31 December 2022, net cash flows used in investing activities of the Company and its subsidiaries was 4,753.2 million baht. The majority was the change from cash paid for the investment in associates and fixed

deposits during the period. The Company received dividend income from investment in associates and investment in equity instruments total amounted to 972.5 million baht.

### Cash flows from financing activities

As of 31 December 2022, the Company and its subsidiaries had cash flow from financing activities at the amount of 4,650.6 million baht. That was mainly from the cash received of 14,300 million baht from long-term financial liabilities from related parties resulting from

entering into long-term lease transaction with BAREIT. The company reported cash paid for long-term loan, long-term loan from related party, lease liabilities and finance cost with a totally amounted of 10,421.0 million baht during the period.



**Boutique Blue**  
is the Happiest Color.





# General Information

**Company Name :** Bangkok Airways Public Company Limited (the “Company”)  
**Initial :** BA  
**Registration Number :** 0107556000183  
**Core Business :** The Company’s core business are  
1. Passengers airline business including freight domestically and internationally  
2. Establishment of public airport and/or operate and manage public airport, rent out space including other activities relating to the establishment and operation of airport

**Registered Capital and Issued and Fully Paid-up :**

2,100,000,000 Baht

**Head Office :** 99 Mu 14 Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok 10900

**Telephone :** ( 66 ) 2 265 5678 **Call Center :** 1771 or ( 66 ) 2 270 6699

**Website :** [www.bangkokair.com](http://www.bangkokair.com)

**Investor Relations :**

**Telephone:** ( 66 ) 2 265 8796-97 **Fax :** ( 66 ) 2 265 5727 **Website :** [ir@bangkok.com](mailto:ir@bangkok.com)

---

**Shares Registrar :**

**Thailand Securities Depository Co., Ltd**

93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindang, Bangkok 10400, Thailand

**Telephone:** ( 66 ) 2 009 9000 **Fax :** ( 66 ) 2 009 9991 **Website :** <http://www.set.or.th/tsd>

---

**Company’s Auditor :**

**EY Office Limited**

33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadapisek Road, Klongtoey, Bangkok 10110

**Telephone :** ( 66 ) 2 264 9090 **Fax :** ( 66 ) 2 264 0789-90 **Website :** [www.ey.com](http://www.ey.com)

# Dispute

## The Company

1. In February 2022, the Company was sued by its 2 former employees, claiming severance payment due to unfair termination amounting to Baht 46 million together with the interest and surcharge thereon at the rate of 7.5 percent and 15 percent per annum, respectively. The Court therefore ordered to proceed the cases by setting issues and fixed trial date in April 2023. In this regard, the Company's management believes that the result of such cases will not significantly affect the Company's financial position.

2. In April 2022, the Company was sued by its 2 former employees, claiming severance payment for unfair termination amounting to Baht 1.9 million together with the interest thereon at the rate of 115 percent per annum. Subsequently, on 27 October 2022, the plaintiff amended the plaint by increasing the severance payment to Baht 50 million together with the interest rate of 5 percent per annum. The court scheduled the hearing in May 2023. In this regard, the Company's management believes that the result of such case will not significantly affect the Company's financial position.

## Subsidiaries

3. In July 2020, a subsidiary was sued by its former employee, claiming severance payment due to an unfair termination amounting to Baht 5 million together with the interest thereon at the rate of 7.5% per annum. Subsequently, on 15 March 2022, the Labour Court judged the subsidiary to win the case and to not pay subsidies. Therefore, the case was end.

4. In January 2021, a subsidiary and an associate were sued by an injured person for compensation of Baht 42.8 million with interest thereon at the rate of 7.5% per annum for negligent act causing serious injury to a person while performing duty. Subsequently, on 6 October 2022, the injured person accepted and agreed the settlement agreement which the subsidiary and the associate paid compensation amounting to Baht 5 million. However, the compensation was covered by the insurance company. Therefore, the case was end.





# Corporate Governance

The Company upholds and complies with the principles of good corporate governance in operating the Company's business by the directors, management and employees; and considers that the principles of good corporate governance is an essential factor to support the overall achievement of the Company as the organization responsible for the society.

The Company's policies on corporate governance will comply with the guideline on good corporate governance in accordance with the Principles of Good Corporate Governance for Listed Companies, 2012 set by the Stock Exchange of Thailand. The details of the policies on Good Corporate Governance are as follows:

- **Good Corporate Governance**

The policies on Corporate Governance complies with the Principles of Good Corporate Governance for Listed Companies, 2012 set by the Stock Exchange of Thailand, which is a guideline in preparing the policies on corporate governance of listed companies in accordance with the

principles of corporate governance of the Organization for Economic Co-operation and Development (OECD) and ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) that comprise five following topics.

## 1 Shareholder's rights

**Principle :** The shareholders have the rights in an ownership of "The Company", hence "The Company" should encourage the shareholders to exercise their rights.

**Good practice :** "The Company" realizes an importance of rights exercise by the shareholders and wouldn't engage in any actions deemed violating, limiting, or depriving the shareholders' rights. On the other hand, "The Company" would foster and facilitate all groups of shareholders to meet and constantly exercise their rights on different issues for the benefits of "The Company" and the shareholders themselves.

The shareholders' rights don't merely include the rights in trading, selling, or transferring shares; but they also include the rights to receive the dividends, the rights in obtaining news and important notifications about the business or that may have any effects on the business, the rights in attending the shareholders' meetings and voting on any matters.

## 2 Equal treatment to shareholders

**Principle :** Every shareholder should be equally treated and subject to fair treatment.

**Good practice :** “The Company” will govern on equal and fair treatment to all groups, including the major and minor shareholders, by assigning directions and instructing equal approach on information disclosure; giving an opportunity to the minor shareholders to propose or consider any matters during the shareholders’ meetings. For examples, the nomination of candidates by minor shareholders can be done in advance or allowing minor shareholders to propose any agenda item and on screening those proposed by them. This includes assigning preventive measures against abusive self-dealing, or an exploitation of internal information for own benefit which may render illicit effects to all other shareholders such as insider trading. “The Company” also assigned the directors and management to disclose the information relating to the interests of the directors, management and related party to eliminate any conflict of interests. The directors and/or the management who are bound to such tendency aren’t allowed to consider, give any opinion, or continue with such conflict through any transaction. Moreover, “The Company” will constantly organize activities to create good relations among the shareholders and between the shareholders and “The Company”.

## 3 Stakeholder’s roles

**Principle :** The stakeholders should be taken care of by “The Company” through the rights of relevant laws. “The Company” should have a mechanism or procedures to promote collaboration between “the Company” and the stakeholders.

**Good practice :** “The Company” sets policy for decent and fair treatment to each stakeholder group by considering their rights either by the rule of law, commercial agreement or by the mission that they have with “The Company”. Meanwhile, “the Company” will develop a mechanism of stakeholder’s participation including any collaborations with “the Company” to support the business in a viable and sustainable manner.

Moreover, “the Company” already has the corporate social responsibility policy in place. This policy is based on the social and environmental factors which relate directly to the business. To achieve the objective of this practice; the key stakeholders are the clients, business partners, employees, shareholders, investors, creditors, community, social units, government sector, business competitors, etc.

## 4 Disclosure and transparency

**Principle :** “The Company” should conform to a disclosure of key relevant information of “the Company” in a correct, complete, timely, and transparent manner through channels which are equally accessible and reliable.

**Good practice :** “The Company” realizes and emphasizes on the information quality. This includes the correct disclosure that is done in a complete, timely, and transparent manner through channels which are equally accessible and reliable. “The Company” has the policy to disclose both financial and non-financial information sufficiently, reliably, timely, and currently. The information that is disclosed must be thoroughly prepared, clear, precise, auditable, and using language that is concise and easy to understand. Such disclosure must be carried out regularly by presenting both positive and negative points, and conforming to rules, laws, relevant government sector’s regulations, and “the Company’s” regulations.

## 5 Responsibility of the Board of Directors

**Principle :** The Board of Directors plays a key role in supervising business towards the highest benefit of “the Company”. They are responsible for their roles to the shareholders and independent from the management.

**Good practice :** The Board of Directors consists of directors who obtain various work experiences, skills, and expertise in particular fields which contribute benefits to the business of “the Company”. The Directors are to perform their duties with integrity, carefulness, and meticulousness; while consider the highest benefits for “the Company” and to the shareholders as a whole. All Directors are prompt to devote time to perform their duties that they are responsible for to the most of their capacity. It’s also a duty for the Directors to attend every Board’s meeting unless when there’s an appropriate reason for their absence.

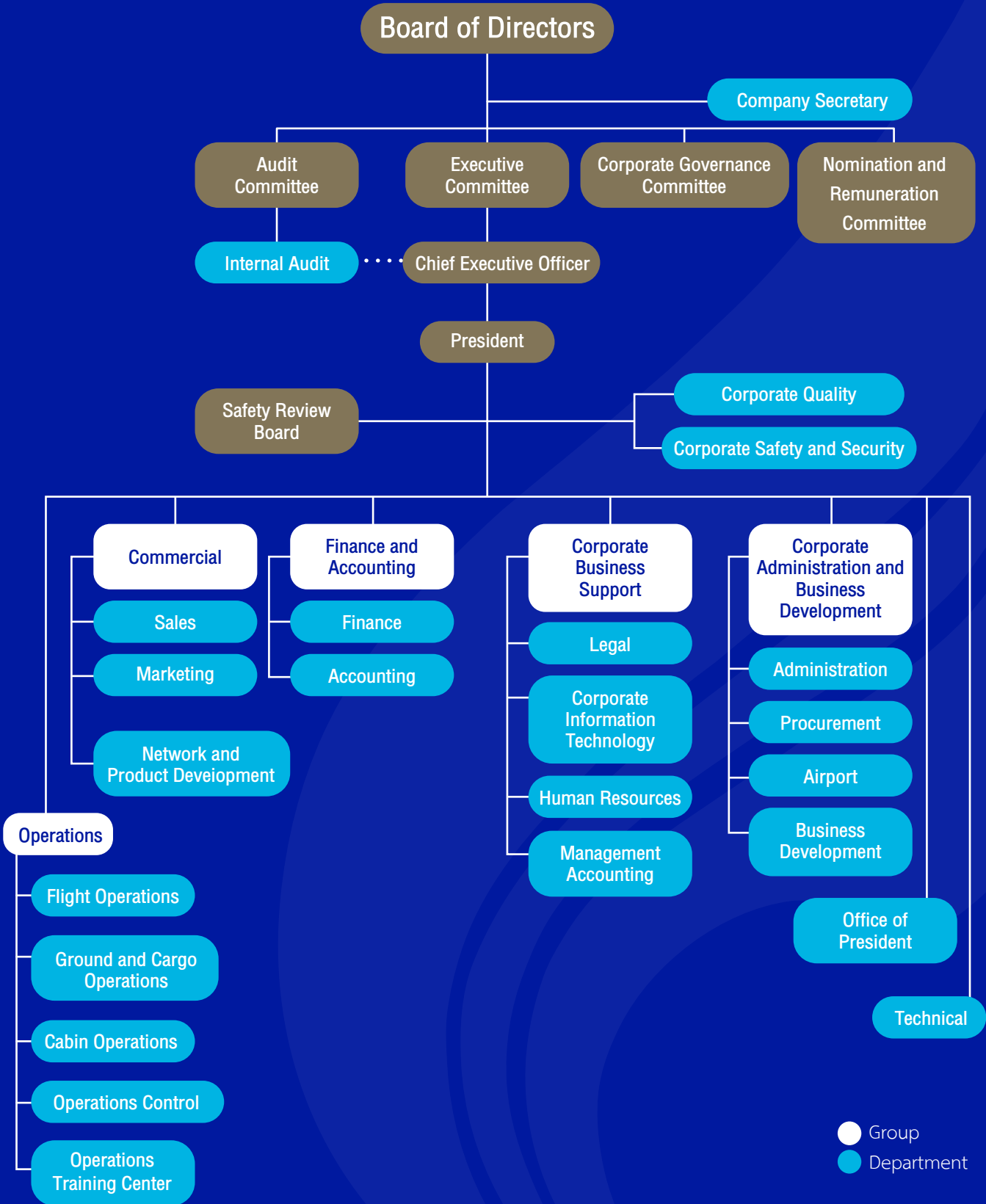
The Board of Directors must set the vision, business direction, and strategies which are clear and practical along with the regulation and monitoring procedures, including an efficient evaluation procedures on the management work. All directors understand their duties and responsibilities as well as the nature of the business very well. They are prompt to independently share their opinions and ready to cope with any changes as it’s prone to occur from time to time.

The Board of Directors will distinctly assign roles and responsibilities between the Board of Directors and the executive management while also regulate “the Company” to have a certain work flow that can be assured as lawful and ethical.

“The Company” has the Director selection process in place for consideration at the shareholders’ meeting. This must be done transparently, and without any domination of the shareholders who has rights to control or belong to the executive management team. The Directors are not allowed to stipulate their own remuneration which is considered their direct interest. On the other hand, there must be certain procedures to set appropriate remunerations that are transparent and without any dominations of any particular individual or party.



# Company Organization Chart



● Group  
● Department

# Corporate Governance Structure

## Company Organization Chart As on 31 December 2022

### Board of Directors

As on 31 December 2022, the Company's Board of Directors comprised eleven members

- Six Non-Executive Directors (54.55% of all Board members)
- Five Executive Directors
- Four Independent Directors (36.36% of all Board members)
- Two female Directors (18.18% of all Board members)

No.	Names	Position
1	Air Chief Marshal Kaset Rochananil	Chairman/ Independent Director
2	Mr. Puttipong Prasarttong-Osoth	Vice Chairman/ Chairman of Executive Director/ Signatory Director/ Chief Executive Officer and President
3	Mr. Prasert Prasarttong-Osoth	Director/ Member of Executive Director
4	Pol.Gen.Visanu Prasattongosoth	Director
5	Mr. Pradit Theekakul	Director/ Member of Executive Director/ Signatory Director
6	Mr. Sripop Sarasas	Director/ Independent Director/ Chairman of The Audit Committee/ Chairman of Nomination and Remuneration
7	Mr. Saharatna Benyakul	Director/ Independent Director/ Member of Audit Committee/ Member of Corporate Governance Committee
8	Mrs. Narumol Noi-am	Director
9	Mrs. Ariya Prasarttong-Osoth	Director/ Member of Corporate Governance Committee/ Member of Nomination and Remuneration/ Signatory Director
10	Mr. Anawat Leelawatwatana	Director/ Member of Executive Director/ Signatory Director
11	Mr. Somboon Kittiyansub	Director/ Independent Director/ Chairman of Corporate Governance Committee/ Member of Nomination and Remuneration/ Member of The Audit Committee

# Composition and qualifications of the Board of Directors

1. Board of Directors comprised of not less than 5 directors.
2. Not less than one-third of all Board Directors Are Independent Directors and the total number of Independent Directors shall not be less than three.
3. Board Directors are qualified in different fields in order to combine the knowledge and skills necessary to operate the business. The Board comprised of
  - not less than three directors with knowledge of Aviation Business
  - not less than one director with knowledge in the legal field
  - not less than one director with knowledge of Finance and Accounting
4. Term of office of Board Directors and Independent Directors is 3 years. They may be re-elected to the same position in compliance with the law. However, an Independent Director’s continuous term of office must not be more than 9 years.
5. Board Directors shall not hold this position in more than five companies that are listed on the Stock Exchange of Thailand.
6. Board Directors shall be fully qualified, without any prohibited characteristics in compliance with the Public Company Act, Securities and Exchange Act, Capital Market Supervisory Board notification, rules and regulations of Securities Exchange Commission and the Stock Exchange of Thailand, company regulations, corporate good governance principles and any other related requirements including not demonstrating any lack of suitability to be entrusted in management of business for the Company.
7. Board Directors shall possess an image and attributes which promote and support operation under corporate good governance, in order to create corporate value, such as having good morals and ethics, being independent, bold in the expression of opinion, having a creative mind, perform duties with dedication, care, and loyalty and are socially acceptable.

## Board Diversity Policy

The Company set a policy on Board Diversity comprising a diversity of gender, skills, knowledge, and experience of the Board Directors (Board Skill Matrix) as necessary and appropriate to the operation of the business, summarized as follows:



## Independent Directors

Qualifications of Independent Directors shall be as prescribed by the relevant Notification of the Capital Market Supervisory Board which can be summarized as follows:

1. Holding not exceeding 1% of the total shares with voting rights of the Company, its parent company, its subsidiary company, its associated company, or the person who may have a conflict of interest or controlling person of the Company, inclusive of the shares held by any related person of such independent director (related person shall mean person pursuant to Section 258 of the Securities and Exchange Act.);
2. Not being, nor having been, a director who participates in the management, an employee, staff member, or advisor who receives a regular salary, or a controlling person of the Company, its parent company, its subsidiary company, its associated company, its subsidiary company at the same level, major shareholder or controlling person of the Company, unless the holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application to the Securities and Exchange Commission. However, such prohibition shall not apply in the case where the such an independent director has been a government official or consultant of the government sector, which is a major shareholder, or controlling person of the Company.
3. Not being a person who has a relationship by blood or registration under laws, as father, mother, spouse, sibling, and child, including the spouse of a child, of its executive officers, its major shareholder, its controlling person, or the person who will be nominated to take up the position of director or executive officer or controlling person of the Company or its subsidiary;
4. Not having, or not having, any business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder, or controlling person of the Company in a manner which may obstruct his independent judgment. Additionally, not being or not having been a substantial shareholder or controlling person of a person who has a business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, unless the such business relationship has been discontinued for at least two years before the date of submission of the application to the Securities and Exchange Commission.
5. Not being, or not having been, an auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder, controlling person of the Company, major shareholder or controlling person or the partner of the audit company for which the auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company has worked therein unless such holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application to the SEC;
6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, and not being a major shareholder or controlling person or the partner of such professional service provider, unless such business relationship has been discontinued for at least two years before the date of submission of the application to the SEC;
7. Not being a director nominated to be a representative of a director of the Company, major shareholder, or shareholder who is related persons to the major shareholder;
8. Not undertaking any business which has the same nature as and is in competition with the business of the Company or its subsidiary company or not being a partner of the partnership or a director who participates in the management, an employee, a staff member or advisor who receives a regular salary or holds shares exceeding 1% of the total shares with voting right of other companies which undertakes the business of the same nature as and is in competition with the business of the Company or its subsidiary company; and
9. Having no other qualifications causing any inability to express independent judgment in respect of the Company's business operation.



# Appointment and removal of Board Directors

1. The Board of Directors of the Company shall consist of at least five directors to conduct the business of the Company. Not less than one-half of all directors shall have a residence in the Kingdom of Thailand.
2. The appointment of a director shall be made by a majority vote at the shareholders' meeting in accordance with the following conditions and procedures:
  - (1) One ("1") share represents one ("1") vote. Each shareholder shall exercise all of his voting rights to elect one or several persons as a director or directors, but the shareholder cannot divide his or her votes among any nominated director in any number;
  - (2) Each shareholder shall vote to elect directors on an individual basis;
  - (3) The persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be appointed. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding chairman shall have an additional casting vote.
3. At every Annual General Meeting, one-third of the total number of directors shall vacate the office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been in office for the longest term shall retire. The retiring directors are eligible for re-election.
4. Any director wishing to resign from the director's position shall submit a resignation letter to the Company. The resignation shall take effect upon the date on which the resignation letter reaches the Company.
5. The shareholders' meeting may pass a resolution to remove any director prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote, and the shares held by them shall not, in total, be less than one half the number of the shares held by the shareholders attending the meeting and having the right to vote.

## The Board of Director's Scope of Authority and Responsibilities

1. The Board of Directors shall perform duties using their knowledge and expertise for the benefit of the Company in accordance with the Company's Articles of Association and resolutions of the shareholders' meeting. Directors are authorized to perform actions indicated in the company's Memorandum of Association, the Public Company Act, and relevant laws.
2. Comply with the provisions and the good practices of listed company directors of the Stock Exchange of Thailand.
3. Determine policies and approve matters related to the general operation of the Company, such as vision, business direction, strategies, business plan, annual budgets, and investment plan, and make financial decisions.
4. Monitor the operational results of the Company in order to ensure consistency with established goals and plans.
5. Put in place an appropriate internal control and internal audit system.
6. Provide appropriate and regular communication channels to the shareholders and provide transparency of disclosure of information in accordance with standards.
7. Management of Conflict of Interest
  - 7.1 Supervise and monitor to ensure complete compliance with laws and the Stock Exchange of Thailand's regulations in relation to procedures of actions and disclosures for conflict of interest transactions.
  - 7.2 Report to the Company on any conflicts of interest, which pertain to the management of the Company or subsidiaries, of oneself or related persons. For transparency, such transactions are to be reported to the Board of Directors whenever there is a change.
  - 7.3 On the date on which the independent directors accept the appointment and every year afterward, the independent directors shall submit a confirmation letter to the Company to certify their independency as defined by the Company.

## The Chairman's Scope of Authority and Responsibilities

1. Act as Chairman of the Company Board Meeting and Shareholder Meeting.
2. Carry out the Company Board meetings, ensure the effectiveness of the meeting in accordance with company Rules and Regulations, and, support and provide opportunities for Directors to freely express their opinions.
3. Support and promote the Company Board to perform duties with full competency in compliance with scopes of authority, roles, and responsibilities and in accordance with corporate good governance principles.
4. Supervise and monitor the management of the Company Board in order to achieve the target as set.

## Separation of duties between the Board of Directors and Management Committee

The Company has clearly separated the duties of the Board of Directors and Management Committee. The Board sets policy and supervises performance at the policy level of the Management Committee, while Management Committee supervised by Chief Executive Officer and President is responsible for the management of the Company according to stipulated policy and target. Only Chief Executive Officer and President is assigned by

the Board of Directors and Management Committee to perform such duties. Therefore, the response by the Management Committee to the authority and responsibilities of the Chief Executive Office and President is effective. In addition, the Company has clearly determined the scope of duties and authority of the Board of Directors, sub-committees, and all levels of management.

## Sub Committees

In compliance with corporate good governance principles, the Board of Directors appointed four sub-committees to consider and screen-specific key operations to ensure they are conducted with care and efficiency. The structures of sub-committees are as follows.

### 1. Audit Committee

As of December 31, 2022, The Audit Committee of the Company consists of three independent directors, with a 3-year term of office.

No.	Names of Members of the Audit Committee	Positions
1	Mr. Sripop Sarasas	Chairman of Audit Committee
2	Mr. Saharat Benyakul	Member of Audit Committee
3	Mr. Somboon Kitiyansub	Member of Audit Committee

Mr. Pairoch Chantasilp, Vice President - Internal Audit is the secretary of the Audit Committee.

## Audit Committee Composition and Qualifications

The Company's Board of Directors shall appoint at least three members of the Audit Committee from independent directors whose qualifications meet the requirements per the Notification of the Capital Market Supervisory Board and the Stock exchange of Thailand, including the followings

1. Not being a director authorized by the Board of Directors to make any decision in the business operation of the Company, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, major shareholder or person who may have a conflict of interest of the Company.
2. Not being a director of a parent company, its subsidiary company, or its subsidiary company at

the same level which is a listed company.

3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member.
4. Must not be an Audit Committee member of listed companies in the same business or industry as the Company, and shall not be an Audit Committee member in other listed companies in the Stock Exchange of Thailand more than 5 companies, which may result in lack of performance in some companies.
5. At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of the financial statements of the Company.

## The Audit Committee's Scope of Authority and Responsibilities

1. Review and maintain compliance with the rules and regulations of the SET securities law and the law relating to the business of the Company.
2. Review the Company's reports and disclose the correct and credible financial report and cooperate with the external auditor and the management in preparing a financial report which is in compliance with the prescribed period by the SET, laws, and other applicable government authorities.
3. Consider, select and nominate an independent auditor and propose such auditor's remuneration, as well as attend a non-management meeting with such auditor at least once a year; including attending a meeting with the auditor without any management personnel in that meeting at least once a year. While also, being able to propose to remove the auditor if he/ she is found to be unable to perform his/ her duty, lacks responsibility, or engaged in any illegal action.
4. Provide an independent and proper procedure for the employees to report evidence relating to unreasonable financial details.
5. Review the internal control and internal audit system and ensure that they are suitable and efficient together with the internal and independent external auditors and, assess the internal audit unit's independence.
6. Review evidence from internal investigations where there are suspicions that corruption has occurred or the existence of unreasonable flaws in the internal control procedure and report these to the Board of Directors.
7. Investigate the evidence where there is suspicion of violations of law or regulations of the SET, which materially affect or may materially affect the financial condition and the business operation of the Company.
8. Hire or procure a professional specialist to assist in the inspection and investigation, according to the Company's regulations, in cases where there are suspicions of transactions or acts that may materially affect the financial condition and operating results.
9. Approve the appointment, transfer, dismissal, and evaluation of the performance of the chief of internal audit, if the Company establishes an internal audit unit. If the Company hires an internal audit company, the Audit Committee shall approve the hiring and propose the remuneration.
10. Review organizational risk management and recommend an efficient and suitable risk management approach relating to business operations.
11. Review risk management reports, track potential risks and report on the adequacy of the internal control system and risk management to the Board of Directors.

12. Review related party transactions, or any transactions that may lead to conflicts of interest, and ensure that they are done in compliance with laws and the regulations of the SET and are reasonable and beneficial to the Company

13. Prepare and disclose in the annual report, the audit committee's report, which must include information mandated by the SET regulations and related regulations.

14. Annually review the Audit Committee charter to ensure that it contains the minimum scope of operational requirements for the Audit Committee as

prescribed by the regulations of the SET and to also ensure that it includes adequate support to the Audit Committee's operation, such as the hiring of a professional specialist to opine on the specific subjects which require specialized expertise. If the Audit Committee is of the opinion that the Audit Committee charter needs to be amended to be in compliance with the rules and regulations, the Audit Committee shall seek the approval of the Board of Directors.

15. To perform any other activities as assigned by the Board of Directors.

## 2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of at least three Board Directors, with a 3-year term of office. As on 31 December 2022, the Committee comprised two Independent Directors, one Executive Director, with an Independent Director acting as Chairman, details are as follows:

No.	Names of Members of the Nomination and Remuneration committee	Positions
1	Mr. Sripop Sarasas	Chairman of the Nomination and Remuneration committee
2	Mr. Somboon Kitiyansub	Member of the Nomination and Remuneration committee
3	Mrs. Ariya Prasartong-Osoth	Member of the Nomination and Remuneration committee

Ms. Tresarun Sitakalin, the Corporate Secretary, is the secretary for the Nomination and Remuneration committee.

### Scope of Authority and Responsibilities of Nomination and Remuneration Committee

- In terms of recruitment**

1. Specify appropriate qualifications of the Directors, procedures, and criteria in nominating the Directors. Also, filter the list of candidates to be appointed as the Company's directors to propose for the shareholders' approval.

2. Specify appropriate qualifications, procedures, and criteria in nominating the Chief Executive Officer and the President, including filtering the list of candidates to be appointed as the Company's directors to approval.

3. Set the succession planning for the positions of Chief

Executive Officer and President for the Company's directors to approve.

4. Review the rules of the Nomination and Remuneration Committee annually. In case it's necessary to adjust any contents to be in line with rules, regulations, and the relevance to the current situation, the Nomination and Remuneration Committee must propose them to the Company's Directors.

5. To perform any other activities as the Board of Directors assigns.

- **In terms of Remuneration**

1. Consider forms and rules concerning the payment of remuneration of directors and sub-committees to propose for the shareholders' approval. These must be done with clear, transparent, fair, and following responsibility and the result of work in a way that is able to appeal and keep such qualified and potential directors with "the Company".
2. Consider forms and rules concerning the payment of remuneration of the Chief Executive Officer and the President to propose for the shareholders' approval. These must be done with clear, transparent, fair, and following responsibility, and the resulting work.
3. Set rules and procedures for the evaluation of performances and results of the performances of the Chief Executive Officer and the President for the Company's directors to approve.
4. Evaluate the results of the performances of the Chief Executive Officer and the President following criteria approved by the Company's directors and propose the pay scale and the criteria for the annual salary adjustment in accordance with the evaluation for the Company's directors' approval.
5. To perform any other activities as the Board of Directors assigns.

## Director Recruitment Procedures

The Nomination and Remuneration Committee will set criteria for the recruitment of Board Directors, Independent Directors, and Audit Committee Directors ensuring transparency in accordance with corporate good governance principle and as specified by the Stock Exchange of Thailand.

In the recruitment of Directors, Nomination and Remuneration Committee would apply Board Skill Matrix to ensure that individuals selected possess suitable knowledge, skill and expertise, and experiences that would be of benefit to the Company, then propose names to the Board of Directors meeting for endorsement and to Annual General Meeting of Shareholders for an appointment.

### 3. Corporate Governance Committee

Corporate Governance Committee comprised at least three Board Directors with a 3-year term of office. As on 31 December 2022, the Committee comprised two Independent Directors and one Executive Director as follows.

No.	Name of The Corporate Governance Committee	Positions
1	Mr. Somboon Kitiyansub	Chairman of the Corporate Governance Committee
2	Mrs. Ariya Prasarttong-Osoth	Member of the Corporate Governance Committee
3	Mr. Saharatna Benyakul	Member of the Corporate Governance Committee



## Scope of Authority and Responsibilities of Corporate Governance Committee

1. Stipulate the corporate governance policy and direction of appropriate practice including ethical rules and business integrity pursuant to the rule of law, criteria, regulations, business direction, standards, and restrictions to be in line with those of the offices in charge of governing the listed companies for examples, the Stock Exchange of Thailand, The Securities and Exchange Commission, Thailand and of any institutes or organizations widely recognized in both Thailand and internationally for good Corporate Governance. This is to support and strategize business towards a successful goal of the Company upon commercial and social sustainability. This includes the revision of policy, business direction, and regulations to be up-to-date and current for efficient implementation.
2. Supervise, follow up, and evaluate the business to ensure that the Company and its personnel including the stakeholder practice or run the business according to the policy and the direction or all regulations as well as giving advice or opinions to improve or alleviate the work in accordance with the corporate governance.
3. Promote knowledge dissemination, understanding, and confidence in the corporate governance system to the employees of the company and the subsidiaries.
4. Support, advise, and recommend the Company in preparing to be evaluated or placed in the ranking of the corporate governance.
5. Review the rules of the Corporate Governance Committee annually. In case it's necessary to adjust any contents to be in line with rules, regulations, and the relevance to the current situation, the Corporate Governance Committee must propose them to the Company's Directors.
6. To perform any other activities as the Board of Directors assigns.

## 4. Executive Committee

To ensure that the operation of the business complies with stipulated strategies, targets, and annual business plan the Company considered as appropriate to appoint a Management Committee responsible for the supervision of the performance of the Company and its subsidiaries in accordance with established plans. As on 31 December 2022, Management Committee is comprised of four Board Directors holding a 3-year term of office as follows.

No.	Names of Members of the Executive Committee	Positions
1	Mr. Puttipong Prasarttong-Osoth	Chairman of Executive Committee
2	Mr Prasert Prasarttong-Osoth	Member of Executive Committee
3	Mr. Pradit Theekakul	Member of Executive Committee
4	Mr. Anawat Leelawatwatana	Member of Executive Committee

Ms. Trisarun Sitakalin, Company Secretary acts as Secretary of the Committee.



## Scope of Authority and Responsibilities of the Executive Committee

1. Determine the vision, business direction, policies, and strategies of the Company to propose for the Board of Directors' approval.
2. Review the business plan, annual budgets, annual expenses, investment plan, and EGS plan, of the Company to be in line with laid down policies and strategies, and propose for the Board of Directors' approval.
3. Supervise the Company's operation to be in line with the specified plans, including laws, rules, and regulations of the relevant authority agencies and rules and the Articles of Association of the Company.
4. Consider the summary report of the Company's operation and propose for the Board of Directors' approval.
5. Approve capital expenditures and operating expenses, within the scope of authority assigned by the Board of Directors.
6. Approve or review loan facilities made to subsidiaries within the scope of authority granted.
7. Ensure that the Company has an effective and appropriate operating system for internal control and the management and control of risks and comply with suggestions and comments from the Audit Committee.
8. Consider and review forms of organizational structure and the scope of authorities, duties, and responsibilities of upper-level personnel (President-level) to propose for the Board of Directors' approval.
9. Approve the executive succession plan.
10. Approve the appointment, transfer, or removal of executive officers (from the position of Vice President). Determine and approve the list of directors and the managing director of subsidiaries to serve as guidelines



for such subsidiaries to have such list further approved according to laws and rules and regulations of each subsidiary.

11. Consider and review the structure of the pay scale and the principles of annual salary adjustment of the Company and subsidiaries (however excluding Chief Executive Officer and President) to propose for the Board of Directors' approval.

12. Delegate a working team to solve any problem in compliance with the Company's policies.

13. Annually review the Executive Committee's charter. If the Executive Committee views that it is necessary to amend any content in such charter to be compatible with changing rules, regulations, and circumstances, the Executive Committee shall to further propose for the Board of Directors' approval.

14. To perform any other activities as the Board of Directors assigns.

---

## Sustainable Management Committee

The Company appoints Sustainable Management Committee and Working Group responsible for ensuring the work to drive sustainable business is efficient, effective and meet the target that has been set. The Sustainable Management Committee comprises the President (Chairman of the Committee), top management and Vice President of each department. In 2022, the Sustainability Management Committee held 2 meetings.



## Roles and responsibilities of Sustainability Management Committee are as follows:

- Set and review corporate sustainability policy and target, ensure sustainable growth of the business together with social and environmental responsibility and equal benefit for all stakeholders
- Appoint Sustainability Working Group and supervise its performance
- Promote putting Sustainability policy into real practice
- Check correctness of Sustainable Development Plan, prepared by Sustainability Working Group
- Offer advice and recommendations on implementation of Sustainability development work. Make decision on sustainability issue regarding the economy, social and environment, sustainability risk and report.
- Monitor sustainability performance by all divisions through Sustainability Working Group

## Executives Information

### 1. Chief Executive Officer and President

Mr. Puttipong Prasartong-Osoth has been appointed Chief Executive Officer since 24 Jan 2019 to the present, and President of the Company since 29 May 2008 to the present.

### Scope of Authorities, Duties, and Responsibilities of Chief Executive Office and President

1. Responsible for supervision, operation, and/or daily management of the Company including overall supervision of operation in compliance with the policy, business strategies, target and operation plan, financial target, and company budget approved by the Board and/or according to the resolution of shareholders' meeting.
2. Prepare a business plan, determine administrative power including preparation of business operation budget and annual expense budget, then propose to the Board for approval and also responsible for the presentation of progress report of business plan and budget that had been approved for information of the Board.
3. Set corporate structure, and administration method, including selection, training, hiring and dismissal of employees. Determine the rate of wages, salary, compensation, bonus, and other welfare provided to employees.
4. Monitor and report the condition and status of the Company, and suggest alternatives and strategies consistency with policy and market environment.
5. Oversee and control performance in various fields such as financial risk management, internal control, operations, various supports, and human resources
6. Act as a company representative, has the power to assign another person to contact government agencies and other regulating agencies.
7. Oversee communication with the public, shareholders, customers, and employees to create and enhance good reputation and image of the Company
8. Ensure good corporate governance is implemented
9. has the power to issue, amend, add, improve regulations, orders and Employees' Rules and Regulations such as employee recruitment, appointment, dismissal and employee disciplines, determine rate of salary and other payments including provision of other support and welfares.
10. Consider, negotiate, and approve entering legal contracts and/or any action related to operations and / or daily management of the Company within the amount approved by the Board in compliance with Delegation of Authority Regulation.
11. Has the authority, roles, and responsibilities as assigned or in line with the policy assigned by the Board with power to sub-authorize and/or assign another person to perform a specific task instead, in which sub-authority or assignment mentioned must be within the scope of the authority stated in the given Power of Authority and/or compliance with rules, requirements or orders stipulated by the Board.
12. Other duties as assigned by the Board.



### **Chief Executive Officer and President holding positions as Board Director in other companies**

In case when Chief Executive Officer and President take up the position as Board Director of a company outside the Company's group or other than assigned, the applicable policy states that prior approval by Management Committee is required to prevent any conflict of interest that may occur.

### **Succession of Executives**

The Company has continuously conducted training development of executives to prepare them to be ready to replace top executives who are about to retire in a few years' time. Important positions in the succession plan that required preparation of personnel to assume higher positions when they become available are as follows:

- Chief Executive Office and President
- Vice President or equivalent
- Director or equivalent
- Manager or equivalent

Regarding the succession plan for the position of Chief Executive Officer and President, Management Committee is responsible to propose the plan to the Nomination and Remuneration Committee to consider a selection of suitable individuals and then propose it to the Board of Directors for approval.

## Executives

Executives of the Company, by definition of SEC and SET, as on 31 December 2022, comprised 15 Executives as follows:

No.	Names of Executive Officers	Positions
1	Mr. Puttipong Prasarttong-Osoth	Chief Executive Officer President Senior Vice President - Commercial Vice President - Human Resources
2	Mr. Pradit Theekakul	Executive Vice President - Corporate Administration and Business Development Acting Vice President - Administration Senior Director - Office of Chief Executive Officer
3	Mr. Anawat Leelawatwatana	Senior Vice President - Finance and Accounting Vice President – Finance Vice President - Accounting
4	Mr. Christophe Clarenc	Senior Vice President - Maintenance & Engineering
5	Mr.Nijapat Piyapant	Vice President – Airport
6	Mr.Pairoch Chantasilp	Vice President - Internal Audit
7	AM.Dechit Chareonwong	Senior Vice President - Operations Vice President – Flight Operations
8	Ms.Aninya Nateprapai	Vice President - Business Development
9	Ms.Chanthip Thongkanya	Vice President-Office of President Director-Corporate Quality
10	Ms. Poonsuk Teerawanichphol	Vice President - Management Accounting
11	Mr.Tongsook Chompoonuch	Vice President - Maintenance
12	Ms.Tresarun Sitakalin	Vice President - Corporate Secretary
13	Ms. Amornrat Kongsawat	Vice President – Sales Acting Vice President – Marketing
14	Mr. Chulin Kocharoen	Vice President - Network and Product Development
15	Ms.Siriporn Noochan	Vice President - Ground and Cargo Operations

# Remuneration

## Remuneration Policy for Executives and Employees

The Company's policy regarding remuneration and benefits for personnel is to offer rates of remuneration at a similar level as that of other companies in the same industry. The Board of Directors focused on fair employment and considerations are based on the abilities to perform duties by employees in different positions, equality, fairness, suitable qualifications, and commitment to the Company to enhance career advancement and sustainable growth, together the Company. The Remuneration Management Policy is determined in consistence with the result of company performance linked with the performance of duties by the employee's details as follows.

**1. Short-term remuneration.** The Company provided short-term remuneration at a rate comparable to that given by other companies in the same industry so as to maintain a competitive edge for the Company in relation to manpower. Furthermore, a gratuity is also paid as calculated from a performance by the Company each year and linked to the performance of duties by employees providing an incentive for employees to perform duties in order to achieve the target which has been set year by year.

**2. Long-term remuneration.** The Remuneration Policy has been set by the Company to maintain and create an incentive for employees to perform duties and enable the Company to meet targets in the future as stated in the long-term plan such as annual salary increments, medical welfare, contribution to provident fund that varies according to the duration of employment and adhering to remuneration payment principles as follows.

- By setting the rate of remuneration appropriately and in comparison to the rate paid by other companies in the same industry to maintain and enhance the ability to a gain competitive edge in the area of human resources for the Company.
- By linking Corporate Performance with Individual Performance with transparency in payment of remuneration according to result of performance.
- By setting a framework to plan and control remuneration budget in consistent with annual budget plan, determined by the Ability to Pay by the Company in short term and long term. The budget plan is flexible with timely adjustments during the year according to company performance.



### Executives Remuneration

In 2022 the Company paid remuneration to the Chief Executive Officer and President and Executives, a total of 19 persons with the total amount of 133 million Baht, in the form of salary and other non-monetary remuneration.



### Non- monetary Remuneration

The Company contributed to Provident Fund for Executives at a total of 857,782 Baht, at a rate according to company rules and regulations and the same rate as other employees, and contributed expenses for welfare and benefit in compliance with company regulations, also at the same rate as other employees. A company car is also provided to each executive.

# Employee information

## Total number of employees

As on 31 December 2022, the Company has a total of 2,168 employees

### Personnel Management Policy

The company must hire highly-skilled, dedicated, and efficient pilots, engineers, and other personnel. Our growth plans will require us to hire, train and retain a significant number of new employees in the future. We recognize the need to ensure continuity in our management in order to maintain our edge over our competitors. Our directors believe that our continued success depends, among other factors, on the support and dedication of our management personnel. We have put in place human resource strategies, which include competitive compensation, fit-for-purpose recruitment, and a succession plan.

The Company strives on creating motivation to keep the employees staying with the Company by offering appropriate remuneration through work evaluation. This includes heightening their skills through training. The Company encourages them to attend meetings and training constantly in order to be equipped with relevant skills and calibres. Also, on-job training is another important approach to pass on knowledge from experienced employees to new recruits or those of entry levels. Investing in human resources helps increase the calibre of employees. These skill developments will gradually prepare the mid and entry levels employees to be able to handle the responsibilities of the high-levelled executives in the future enhancing the abilities of employees and ensuring middle and lower-level of employees are prepared and ready to take up positions with higher responsibilities.

# 2022

The Company has a total of

# 2,168 employees



### Overall Employee Remuneration

In 2022 total remuneration paid to employees, consisting of salary, overtime payment, contribution to Social Security Fund and Provident Fund, medical expenses, other welfare, and benefit at the total amount of 1,166 million bath.



### Provident Fund

At present, there are 1,540 employees who are members of the Provident Fund out of 2,168 who are legible to join the Fund.

# Other significant information

## Company Secretary

The Company's Board of Directors appointed Ms. Tresarun Sitakalin as the Company's Corporate Secretary on January 28th, 2016, through training from the Thai Institute of Directors (IOD) such as Company Secretary Program (CSP), Corporate Governance for Executives, Effective Minutes Taking (EMT), Company Reporting Program (CRP), The Corporate Secretary's main duties and responsibilities are as follows:

1. Provide advice and recommendations to the Board of Directors in ensuring that its duties and responsibilities are in compliance with the laws and regulations of the companies listed on the Stock Exchange of Thailand, the Securities and Exchange Commission, and relevant regulators.
2. Provide orientation sessions for new directors to explain the nature of the business, operating results, corporate plans, major investment projects, roles, and responsibilities of the directors according to the corporate governance principles for companies listed on the Stock Exchange of Thailand and government regulators.
3. Annually inform the Board of Directors of the assessments, roles, and responsibilities of the Board of Directors as advised by the Thai Institute of Directors and State Enterprise Policy Office.
4. Communicate information between the Company's and subsidiaries' directors in an effective manner and in compliance with the laws and regulations of the Stock Exchange of Thailand, the Capital Market Committee, the Securities and Exchange Commission, as well as relevant regulations and resolutions of the shareholders' meetings.
5. Coordinate and collect information from the management covering finance, budget, risk management, internal control, and internal audit and report to the Board of Directors every quarter.
6. Prepare and compile personnel records of directors.
7. Retain complete records of policies and regulations of the Company that have been approved by the Board of Directors along with supporting documents and minutes for the Board Meetings.
8. Prepare and keep the shareholders' letters of invitation, supporting documents, and minutes of meetings with complete information within the timeframe of the law.
9. Maintain conflict of interest reports submitted by directors and executives.
10. Supervise and be responsible for the preparation and maintenance of One report
11. Ensure that information is disclosed and reported to the regulatory agencies.
12. Support the directors in proceeding in line with good corporate governance practices of listed companies according to Good Corporate Governance Guidelines for Listed Companies (2012) of the Stock Exchange of Thailand and ASEAN CG Scoreboard. This includes director training courses, annual self-assessment of the Board of Directors, and reporting assessments to the Board of Directors to acknowledge and consider for further implementation of the operating development plan.
13. Carry out other missions as assigned by the Board of Directors.



## Head of Internal Controls and Head of Corporate Governance

Currently, Mr. Pairoj Chantasil the Head of Internal Controls was appointed on September 1st, 2018, and a total of 6 staff inclusive of himself. The team is split into three units as follows.

- **Internal Audit is tasked with auditing**, evaluating, and ensuring the sufficiency of the Internal Control System including the corporate management in order to achieve the corporate objective.

- **Risk and Compliance is tasked with identifying**, sequencing, and risk management supervising to ensure all procedures are carried out in accordance with the corporate objective.

- **IT Audit** is tasked with auditing and evaluating the IT system to ensure that all information is safe, correctly linked with the database, and limited with information accessibility pursuant to the corporate standard.

## Investor Relation

The Company set up Investor Relation Section responsible to coordinate and provide company information to investors, shareholders, and analysts and in addition to organizing activities, meeting investors, providing information on company performance. Disclosure of the Company information such as performance, and budget submitted to SET via SET website [www.set.or.th](http://www.set.or.th) and the Company's website. <http://www.@bangkokair.com.ir>.

## Auditors' Remuneration

In 2022 the Company engaged EY Office Company Limited as company auditors to provide auditing services and other services incurring expenses as follows:

1. Auditors' Remuneration

During the previous year, the Company paid a total of 3,520,000 million Baht as auditors' remunerations.

2. Fees for other services.

In 2022 the Company paid an amount of 110,498.44 Baht for other services.



# Corporate Governance Report

## Summary of performance by the Board of Directors in 2022

### Recruitment, development, and assessment of performance by the Board

#### 1. Directors Recruitment

In 2022 Nomination and Remuneration Committee selected suitable candidates and appointed three directors to replace those retiring by rotation at the AGM of Shareholders as follows:

No.	Names	Positions
1	Pol. Gen. Visnu Prasarttong-Osoth	Director
2	Mr. Saharatna Benyakul	Independent Director
3	Mrs. Ariya Prasattong-Osoth	Director

The AGM of Shareholders resolved to re-appoint three directors who retired by rotation to perform the duty for another term of office. The method for recruitment of individuals to be appointed as directors can be found under the Structure of Corporate Governance. The Company granted an opportunity

for shareholders to exercise the right to propose names of suitably qualified individuals to be elected as company directors by notification on the company website. However, no shareholders proposed any name to be elected as company directors.

#### 2. Directors' Knowledge Improvement

The Company supported all directors to participate in seminars and training courses for the development of knowledge and skills to perform their duties as directors. (training details shown under background information of each director) which are arranged by the Thai Institute of Directors (IOD) and other leading organizations and institutes such as Director Certification Program (DCP) Director Accreditation Program (DAP) and Audit Committee Program (ACP).

At present 10 out of 11 or 90.91% of all directors have attended training courses relating to the director's performance organized IOD.

Moreover, Company Secretary informs all current and new directors regularly about any necessary courses which have been added.

In 2022 the Company invited Veerawong, Shinawat, and Partners Law Company to arrange a knowledge-sharing session for directors on "Roles, Duties and Responsibility of Directors and Use of Internal Company Data". One director attended a training course to enhance their knowledge and skill to perform duties as director, details as follows.

Company Directorav	Seminar/training/activity
Mr. Saharatna Benyakul	Financial Reporting case: A monitoring guide for the Board. by the Thai Institute of Directors (IOD)



## Director Orientation Course

The Company arranged an orientation course and distributed Hand Book for Directors to enable them to familiarize themselves with corporate business policy, vision, mission, and main targets including various significant rules and regulations consisting of the following:

1. Information relevant to the business
2. Vision, mission, and corporate value
3. Company objectives
4. Characteristics of the business, products, and services
5. Subsidiaries and Associated companies
6. Shareholding structure
7. Organization structure
8. Memorandum and regulations
9. Company Board of Directors
10. Qualifications of Independent Directors
11. Director's remuneration and benefits
12. Corporate Governance Policy
13. Business ethics
14. Disclosure of shareholding
15. Director's knowledge development
16. Corporate Good Governance Policy for listed companies 2017
17. Directors' assessment of performance
18. Summarized roles of public company Board Directors
19. Duties of Board Director of a limited company according to the Securities and Exchange Act
20. 10 principles, Board Directors should know and observe.

### 3. Assessment of performance by the Board of Directors, Chief Executive Officer, and President

#### Assessment of performance of the Board

##### • Guidelines

Corporate Governance Committee organized an annual assessment of performance by the Board, as a whole, and individually (self-assessment) by applying the SET standard assessment form.

In 2022, three kinds of assessment forms were used (1) Board Assessment Form (2) Individual Assessment Form (self-assessment) (3) Sub-committee Assessment Form.

##### • Procedures

Company Secretary sent forms to each director to use in Board Assessment and Individual Assessment (self-assessment), compiled the completed forms, and

submitted them to Corporate Governance Committee to evaluate performance, then presented the result of assessments for discussion at the board meeting. Any suggestions resulting from an assessment of Board performance were taken by the Company to improve the efficiency of board performance to maximize benefit in corporate governance.

##### • Summary assessment of performance by the Board of Directors in 2022

By using the three forms, the assessment criteria are calculated as a percentage of full scores for each topic. According to the criteria, more than 85 % = excellent; more than 75% = Very good, more than 65% = good, more than 50% = fair; less than 50% = needs improvement.

Evaluation Topics	Board of directors	Sub-Committees	Self-evaluation
The structure of Company Board of Directors	/	/	/
Scope of Authorities, Duties and Responsibilities	/	/	/
The Meetings of the Board of Directors	/	-	/
Development of Directors and executives	/	-	-
Overall performance	-	/	-

	Board of directors	Executive Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Self-evaluation
Average score	89.27	93.42	91.67	82.03	85.29	91.14
Score level	Excellent	Excellent	Excellent	Very good	Excellent	Excellent

## Assessment of Chief Executive Officer and President

### • Criteria

The nomination and Remuneration Committee organized an assessment of performance by the Chief Executive Officer and President annually, with consideration of various criteria such as leadership, strategic planning, the result of company performance, implementation of policies set by the board, together with overall economic and social conditions. The nomination and Remuneration Committee used the information gained, for consideration of remuneration.

### • Procedures

Company Secretary sent assessment forms to the Nomination and Remuneration Committee to evaluate performance and presented the result at a board meeting for discussion and determination of remuneration as appropriate.

Result of assessment of performance by Chief Executive Officer and President in 2022.

Chief Executive Officer and President succeeded in the performance of duties and the result is considered excellent.

## Assessment Result of performance by Chief Executive Officer and President in 2022.

Chief Executive Officer and President succeeded in performance of duties and the result is rated as excellent

Part 1 : Performance	weight points %	score	Result	Score from each section	weight points %	Result
1. Quantity	60.00	4.00	48.00			
2. Quality	40.00	4.00	32.00	80.00	40	32.00
Part 2	weight points %	score	Result			
1. Communication	20.00	4.00	16.00			
1.1 Conveyed data, news, vision, mission, objectives, strategies and direction for operation of company business thoroughly to all levels of employees in the organization and communicated with stakeholders and shareholders in a clear manner to gain correct understanding by all concerned.	10.00	4.00	8.00			
1.2 Communicated financial results and future trend of the Company to investors efficiently and responded clearly to questions given by shareholders.	10.00	4.00	8.00			
2. Coordination	20.00	5.00	20.00			
3. Cooperation	20.00	4.00	16.00			
4. Contribution	20.00	5.00	20.00			
5. Company Representative	20.00	5.00	20.00			
				92.00	60	55.20
				Total Score		87.20
				Level of Result of performance		87.20
						Top Achiever

## Board of Directors Meeting and remuneration for directors

### Board of Directors Meeting and remuneration for directors

The Company set up a monthly meeting on the fourth Thursday for the Directors. The meeting schedule is announced annually and informed to each Director in advance prior to each meeting. This, however, doesn't include any special agenda meetings.

A quorum of board meetings consists of a minimum of two-thirds of the total number of directors. For vote casting, a minimum of two-thirds of all directors must be present and the Chairman of the meeting has the right to cast a decisive vote.

In 2022, seven board meetings were held, and also one meeting was held on 22 December 2022, without the attendance of executives so non-executive directors had an opportunity to discuss among themselves the structure of the board and the result of this meeting has been reported for information of the Board. Details of attendance at the board meeting are as follows.

Names of Directors	Board of directors	Audit Committee	Nomination & Compensation Committee	Corporate Governance Committee	Annual General Meeting of Shareholders 2022 <sup>(1)</sup>
	(Total 11 Directors) Total 10 times / year	(Total 3 Directors) Total 4 times / year	(Total 3 Directors) Total 2 times / year	(Total 3 Directors) Total 1 times / year	(Total 11 Directors) Total 1 times / year
1. Air Chief Marshal Kaset Rochanani	10/10	-	-	-	1/1
2. Mr. Puttipong Prasarttong-Osoth	10/10	-	-	-	1/1
3. Mr. Prasert Prasarttong-Osoth	10/10	-	-	-	1/1
4. Pol.Gen. Visanu Prasarttong-Osoth	10/10	-	-	-	1/1
5. Mr. Pradit Theekakul	10/10	-	-	-	1/1
6. Mr. Sripop Sarasas	10/10	4/4	2/2	-	1/1
7. Mr. Saharatna Benyakul	10/10	4/4	-	1/1	1/1
8. Mrs. Narumol Noi-am	10/10	-	-	-	1/1
9. Mrs. Ariya Prasarttong-Osoth	9/10	-	2/2	1/1	1/1
10. Mr. Anawat Leelawatwatana	10/10	-	-	-	1/1
11. Mr. Somboon Kittiyansub	10/10	4/4	2/2	1/1	1/1

Remark:

1. AGM of Shareholders Meeting held on 19 April 2022.

## Monetary Compensation

Remuneration of Directors

In 2022, the total remuneration paid to our 11 directors was THB 9.10 million, which was paid in the form of meeting allowance and annual returns with the following details:

	Names of Board of Directors and Positions	Remuneration	Allowance					Remuneration As Directors in 2022 (Million Baht)	
			Board of Directors	Committee executive	Committee Corporate	Governance Committee	Nomination & Remuneration Committee		Total
1.	Air Chief Marshal Kaset Rochana	-	930,000.00	-	-	-	-	930,000.00	0.93
2.	Mr. Prasert Prasarttong-Osoth	-	465,000.00	-	570,000.00	-	-	1,035,000.00	1.04
3.	Mr. Sripop Sarasas	-	465,000.00	195,000.00	-	-	78,750.00	738,750.00	0.74
4.	Mr. Saharatna Benyakul	-	465,000.00	130,000.00	-	22,500.00	-	617,500.00	0.62
5.	Mr. Somboon Kittiyansub	-	465,000.00	130,000.00	-	33,750.00	52,500.00	681,250.00	0.68
6.	Pol.Gen. Visanu Prasarttong-Osoth	-	465,000.00	-	-	-	-	465,000.00	0.47
7.	Mrs. Narumol Noi-am	-	465,000.00	-	-	-	-	465,000.00	0.47
8.	Mrs. Ariya Prasarttong-Osoth	-	420,000.00	-	-	22,500.00	52,500.00	495,000.00	0.50
9.	Mr. Anawat Leelawatwana	-	465,000.00	-	570,000.00	-	-	1,035,000.00	1.04
10.	Mr. Puttipong Prasarttong-Osoth	-	465,000.00	-	1,140,000.00	-	-	1,605,000.00	1.61
11.	Mr. Pradit Theekakul	-	465,000.00	-	570,000.00	-	-	1,035,000.00	1.04
<b>Total</b>			<b>5,535,000.00</b>	<b>455,000.00</b>	<b>2,850,000.00</b>	<b>78,750.00</b>	<b>183,750.00</b>	<b>9,102,500.00</b>	<b>9.10</b>

## Non-monetary Remuneration

Other benefits provided to the Company's directors are detailed and conditioned as follows:

1. A director is entitled to benefit from the medical treatment expense in the amount for each director not exceeding THB 1,000,000 per year and in total not exceeding THB 2,000,000 during his term.
2. A Director and one follower are entitled to the Company's airplane tickets for not exceeding 24 airplane tickets per year.
3. When a flight schedule is available, a director is entitled to use the Company's aircraft for not exceeding 100 hours per year for the activities of the Company and/or of the Board of Directors and/or the directors and such activities are beneficial to the Company; or promote the image of the Company or promote the Company's business; or for a public interest, corporate social responsibility, and other special missions.
4. The Company shall provide the Directors and Officers Liabilities Insurance for the benefit of the directors and management of the Company.

## Supervision of Subsidiaries and Associated Companies

The Company will supervise the operation of subsidiaries and associated companies as follows;

1. Appoint the Company's director or executives who have qualifications and experience suitable for that particular business and approved by the Company's Board of Directors to represent the Company on the Board of Directors of the subsidiaries and associated companies. The duties of such representations are in determining the policy and supervising the operation of the business of the subsidiaries and associated companies as assigned by the Company's Board of Directors.
2. Procure the subsidiaries to set the policies on entering into transactions between the subsidiaries and connected persons, and policies on the entering into acquisition and disposition of assets to be in compliance with relevant laws, regulations, notifications, rules, and circulars by the Securities and Exchange Commission.
3. Procure the subsidiaries to prepare a financial report to show financial status and operation performance on the basis of correct, complete, and sufficient accounting information pursuant to the generally accepted accounting standard, as well as report on related party transactions between subsidiaries and persons who may have a conflict of interest, including acquisition and disposition of assets of such subsidiaries, and report to the Company's Board of Directors at least four times a year.
4. Procure the subsidiaries which perform core business to set up an Internal Audit Unit or internal auditor from outsourcing to prepare a work plan for conducting an internal audit of such subsidiaries annually and audit as per the annual work plan which is approved by the Company's Audit Committee. The Company shall procure the subsidiaries to have a report of monitoring and suggestion relating to the internal control system on its sufficiency and to procure that its employees, executives, and directors of the subsidiaries have performed in accordance with internal control policy and report to the Board of Directors of the subsidiaries regularly.

# Monitoring compliance with Corporate Governance Policy and Practices.

## Use of internal company data

The Company has set the policy and procedure for the directors and executives in using the inside information that has not been made public for personal interest as follows:

1. Educate the directors and executives regarding their duties in reporting the Securities Holding Reports for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act, along with the Acquisition or Disposal of Securities Report for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 246, and the penalty as prescribed in Article 298 of the Securities and Exchange Act
2. Company directors and executives who wish to trade company shares have a duty to inform the Company Secretary at least one day in advance of trading. In the case when Company Secretary wishes to trade company shares, he or she is required to inform Chairman of the Board or Chief Executive Officer and President.
3. The directors and executives of the Company, along with their spouses, and their minor children shall prepare and disclose the Securities Holding Reports and the Acquisition or Disposal of Securities Report of the Company's securities to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act, and copies of such reports shall be submitted to the Company on the same day as submitted to the Securities and Exchange Commission

4. Directors, executives, and employees of the Company and its subsidiaries, who have access to any material inside information that can affect the price of stocks, shall take precautions in trading the Company's securities within 30 days before the financial statements or such inside information are disclosed to the public and within 24 hours after the said information is made available to the public. The person related to the information shall not disclose the information to the third party before the information is disclosed to the Stock Exchange of Thailand.

5. Directors, executives, and employees of the Company shall not use any inside information received from their positions, that can affect the price of the Company's securities and has not been disclosed to the public, for trading, or offering to buy or sell, or persuade others to buy or sell, or to trade other shares or securities (if any) of the Company, directly or indirectly, which may cause any damage to the Company directly or indirectly, regardless for their own interests or for others, nor shall they disclose the said information to others for compensations or nothing.

In 2022 Company Secretary sent advance notice of the Blackout period to relevant persons and did not find any director, executive, or relevant employee trading company shares during the period when trading is prohibited. After checking for details it was found that company policy has been observed fully and correctly.

# Annual Change of the Directors and management's holding<sup>(1)</sup>

Name	Shares volume on 10/3/2021	Shares volume on 11/3/2022	Change of shares volume
1. Air Chief Marshal Kaset Rochananil	700,000	700,000	-
2. Mr. Puttipong Prasarttong-Osoth	523,587,900	523,387,900	-
3. Mr. Prasert Prasarttong-Osoth	238,942,000	-	-
4. Pol.Gen.Visanu Prasattongosoth	300,000	300,000	-
5. Mr.Sripop Sarasas	-	-	-
6. Mrs. Narumol Noi-am	350,000	350,000	-
7. Mr. Pradit Theekakul	9,000,000	9,000,000	-
8. Mr. Anawat Leelawatwatana	212,000	212,000	-
9. Mr. Saharat Benyakul	-	-	-
10. Mrs. Ariya Prasarttong-Osoth	243,440,900	243,440,900	-
11. Mr.Somboon Kittiyansub	-	-	-
12. AM.Dechit Chareonwong	-	-	-
13. Mr.Christophe Clarenc	36,900	36,900	-
14. Mr.Nijjapat Piyapant	5,000	5,000	-
15. Ms.Tresarun Sitakalin	21,500	21,500	-
16. Ms. Aninya Nateprapai	4,800	4,800	-
17. Mrs.Chanthip Thongkanya	-	-	-
18. Ms. Poonsuk Teerawanichphol	-	-	-
19. Mr.Tongsook Chompoonuch	15,000	-	15,000
20. Mr. Pairoch Chantasilp	-	-	-
21. Ms.Amornrat Kongsawat	9,800	9,800	-
22. Mr.Chulin Kocharoen	-	-	-
23. Ms. Siriporn Noochan	-	5,000	5,000

Remarks: 1. This table shows shares volume comparison on the book closing day in preparation of the 2021 and 2022 annual reports.

## Prevention of Conflicts of Interest

The Company set a policy to follow up on transactions that may create conflicts of interest by setting procedures for approval of related transactions between companies or persons which may cause conflicts.

In an agenda when a director is an interested party, then he or she does not have the right to cast a vote for that agenda. The board has also set a policy to prevent the use of internal company data to gain benefits for

oneself. In approval of a related party transaction, the response function is required to evaluate that transaction to ensure it is reasonable and made for the best benefit of the Company with a fair price which Audit Committee would review such transaction to ascertain its necessity and fair price.

In 2022, the Company did not find any action which violates the Conflicts of Interest Policy.



### Whistleblowing

The board formulated Whistleblowing Policy by creating a channel for reporting clues and receiving complaints on violation of the law or non-conformance with the rules, regulations, and ethics of all levels of individuals in the organization, with procedures for check and corrective actions which are clear, non-bias and transparent and also measure for the protection of the whistleblower.

In case when there is reasonable ground to suspect that it is a serious offense, the Company through Chief Executive Officer and President shall set up a committee to investigate the offense first and if found to be true, then consideration would be taken for punishment in compliance with the company Disciplinary Regulation,



### Channels for reporting on clues of violation or filing complaints

**Email:**

- s.sriipop@yahoo.com, which will be directly reported to the Chairman of the Audit Committee.

**Mail:**

- Bangkok Airways Public Company Limited, No. 99 Mu 14, Vibhavadirangsit Road, ChomPhon, Chatuchak, Bangkok 10900. 10900

and with a clear process for protection of the whistleblower.

During the past year, the Company did not receive any report of clues or complaints relating to a violation of the law or non-conformance with rules, regulations, or ethics of any individual in the organization.



# Capital Structure

As of Mar 10th, 2022, the company's top ten shareholders are:

Names of Shareholders	As of Mar 10 th, 2022	
	Number of shares	%
1. Puttipong Prasarttong-Osoth	523,387,900	24.92
2. Ariya Prasarttong-Osoth	243,440,900	11.59
3. Prasert Prasarttong-Osoth	238,942,000	11.38
4. Poramaporn Prasarttong-Osoth	136,300,000	6.49
5. Bangkok Bank Public Company Limited	105,000,000	5.00
6. Thai NVDR Co., Ltd	84,005,284	4.00
7. Somruthai Prasarttong-Osoth	77,5429,00	3.69
8. Sahakol Estate Co., Ltd. <sup>(1)</sup>	63,934,400	3.04
9. Bualuang Long-term Equity Fund	57,013,100	2.71
10. Bualuang Long-term Equity Fund 75/25	26,016,000	1.24

Remark: 1. Sahakol Estate Co., Ltd. Is a wholly owned company by Prasarttong-Osoth family.

## Dividend Policies of the Company and Subsidiaries

The board of directors of the Company or the subsidiaries may consider the dividend payment to the shareholders as per the following policies

### 1. Dividend Policies of the Company

The Company has a policy to pay dividends at the rate of not less than 50.0% of the Company's separate net profits after deducting corporate income tax and other reserve funds as required by law and our Articles of Association. However, our dividend payment policy may be subject to changes, depending on the business expansion and our demand in use of funds in each year, as necessary and suitable, as our board of directors deems appropriate, subject to our shareholders' approval. For the payment of interim dividends, our board of directors may approve to pay the interim dividends from time to time when our board of directors views that the Company has sufficient net profits to do so.

### 2. Dividend Policies of Subsidiaries

Dividend payments by each of our subsidiaries is subject to shareholders' approval in accordance with such subsidiary's respective board of directors' recommendation. The following factors are taken into account when considering dividend payment: the results of operation, liquidity, cash flows and financial status of each subsidiary, conditions and limitations of the dividend payment as provided in the relevant loan agreements, debentures or other related agreements with which each subsidiary must comply, future business plans, investment capital requirement and other factors as deemed appropriate by such subsidiary's board of directors.

# Anti-Corruption Policy

The Company has always conducted its business by adhering to Good Corporate Governance, business ethics, and laws. Also, the Company has communicated, publicized for acknowledgment and understanding of not to demand, or agree to receive money, items, or any other benefits, including not to act in the way which may give rise to such actions, either for the benefits of the Company, oneself or others; and these have been prescribed in the Company's Code of Conduct as fundamental guidelines for our employees.

Additionally, the Company emphasizes the significance of anti-corruption; whereby the Company's Board of

Directors' meeting No. 5/2014 held on May 22, 2014 has approved the Anti-Corruption Policy so that the Company's guidelines of avoiding and opposing corruption issues are more explicit. In this regard, the Company's directors, executives, employees, including the Company's subsidiaries and the businesses over which the Company has controlling power will not or support any corruption behaviors in whatever forms and will strictly comply with fundamental guidelines in Anti-Corruption Policy, including cooperate with the internal audit investigation with an aim to avoid and correct corruption behaviors which may arise internally.

The Company has established the following guidelines for preventing corruption:

1. Define the principles for giving or receiving gifts or entertainment as part of the Company's Code of Conduct. Employees must not offer, demand, receive, or agree to receive money, items, meals, entertainment, or any other benefits which may give rise to the suspicion of bribery and corruption behavior. Gifts received should be modest, and should not be cash or cash equivalents. Employees must always be aware that all actions and non-actions must take into consideration transparency, fairness, and accountability.
2. Set out regulations on procurement, and objectives for entering into transactions, entering into agreements, and disbursement; whereby each step requires definitive supporting documentation, as well as specify approval limits and authorization approvals for each level

3. Arrange to put in place an internal audit system to cover finance, accounting, recording information, and other aspects of accounting and finance to ensure that financial transactions are entered into for approved purposes, and that business is conducted with transparency.

4. Communicate the values of Good Corporate Governance, as well as the Anti-Corruption Policy, to work units within the Company, its subsidiaries, and the businesses over which the Company has controlling power via various channels such as employee training, the Company's internal communication channels, such as the Company's website or intranet, to inform the relevant parties to ensure further compliance.

5. The Audit Committee has the duty to audit and review transactions of the Company to ensure that the Company has sufficient good corporate governance in line with the relevant policies and requirements. If the Audit Committee has found or has any question about any transaction or action which may affect the Company’s transparency in its business operation, the Audit Committee may independently report such a transaction or action to the Board of Directors and/or the President (as the case may be as it deems appropriate) in order for the issue to be addressed timely and appropriately.

6. Establish whistleblower channels for reporting to or filing complaints with the Audit Committee in the event that encounter situations which may constitute dishonest behavior or misconduct by individuals, as well as the Company. Whistleblowers can raise their concerns or file complaints, and submit details and evidence by mail to the following persons at Bangkok Airways Public Company Limited, No. 99 Mu 14, Vibhavadirangsit Road, ChomPhon, Chatuchak, Bangkok 10900, based on the type of issue as follows:

Issue	Recipient
Violations of the law, dishonest behavior, violations of the work rules and Code of Conduct	The President or the highest-ranking officer of the Human Resources Department
Matters which affect the reputation and image of the Company	The President
Non-compliance with the Code of Conduct by Directors	The Chairman, the Chairman of the Audit Committee, or the Company Secretary
Irregularities regarding financial transactions	The Chairman of the Audit Committee

7. In order to prevent any potential adverse impact on whistleblowers, the Company has put in place mechanisms to protect them by establishing a confidentiality policy regarding their identity. Therefore, if information regarding

whistleblowers is disclosed, persons who are responsible for such information shall be subject to disciplinary action in accordance with the Company’s Work Rules.



# Audit Committee Report 2022

## Attention: Shareholders, Bangkok Airways Public Company Limited

Audit Committee of Bangkok Airways Public Company Limited (the Company) has been appointed by Board of Directors of the Company, consisting of three independent directors with expertise in various fields as well as sufficient knowledge and experience to review credibility of consolidated financial statements. The Audit Committee has performed duties according to scope of authority assigned by Board of Directors, complied with Audit Committee Charter and the Stock Exchange of Thailand regulations.

During the past year, the Committee has performed duties independently to review financial reports, internal control and risk management system, responded to COVID-19 pandemic situation and also reviewed all other information apart from financial reports. The Committee advised management committee and participated in supervision of subsidiaries via internal control system with a view to control management and ensure compliance with company policies.

### Audit Committee arranged four meeting in 2022 as follows:

No.	Names	Position	Appointed year	Attendance
1	Mr. Sripop Sarasas	Chairman, Audit Committee	2014	4/4
2	Mr. Saharatna Benyakul	Audit Committee	2015	4/4
3	Mr. Somboon Kitiyansub	Audit Committee	2019	4/4

At each meeting the Committee jointly discussed with relevant management committee, auditor and Internal Audit Division. The summary of performance in 2022 is as follows:

1. Conducted review of financial reports and financial budget on quarterly basis and annual basis, significant financial policies, adequate disclosure of information to support financial statements and significant issues in the audit. Audit Committee discussed findings and recommendations by auditor with management committee and Internal Audit Division and agreed that financial reports of Bangkok Airways Public Company Limited is correct, credible and complies with generally accepted accounting standard, with appropriate use of accounting policy and adequate disclosure of information.
2. Reviewed performance by auditor and considered appointment of auditor. Audit Committee arranged exclusive meeting with the auditor without management committee attending so the auditor can freely express his/her opinion and the Committee able to gain clear understanding of the auditor's plan and scope of work, considered how to reduce obstacles and problems in the audit. The Committee considered and endorsed appointment of EY Office Company Limited, with sufficient experience, competency, independency and potential to audit the Company business, as auditor of Bangkok Airways Public Company Limited in 2023, to be presented at AGM of Shareholders 2023 for approval.

3. Considered related party transactions or other transactions that may cause conflicts of interest to ensure compliance with the law and regulations of the Stock Exchange of Thailand. The Committee requested explanations from management when in doubt of any transactions with significant difference from the same period in previous year to ensure that the Company operated business under normal business condition, for best benefit of the Company with full disclosure of information.
4. Considered and approved Internal Audit Plan 2023. The Committee supervised and reviewed performance by Internal Audit Division, to ensure the audit work and report of performance complied with Office of Internal Audit Charter and International Professional Practices Framework (IPPF). At each quarter the Committee arranged a meeting with Internal Audit Division and auditor to review performance as suggested in Internal Audit Assessment Report, received from Internal Audit Division, auditor and other regulators, to ensure effective improvement of drawbacks of work process and regular follow-up of result of internal control which has changed. Internal and external auditors were able to perform their duties independently with cooperation and coordination by all departments in the Company.
5. Reviewed management of significant risks according to corporate Risk Management Plan 2022 in order to regularly conduct quarterly assessment of adequacy and effectiveness of Risk Management System. Audit Committee has an understanding of significant risks to the Company and conducted the review to ensure existence of a process for executives to manage risks. The Committee reviewed risk management framework and recommended necessary improvements to ensure risk management framework has been effectively and efficiently observed.
6. Maintained quality of Audit Committee by review and approval of Audit Committee Charter and Audit Charter with consideration of scope of responsibilities of Audit Committee and Internal Audit Division pursuant to requirements of the Stock Exchange of Thailand.
7. Strictly reviewed compliance with corporate good governance policy in accordance to principle of law and guidelines stipulated by Security Exchange Commission, the Stock Exchange of Thailand including other relevant laws to ensure the Company performance is transparent and to enhance shareholders and investors confidence.

In conclusion, Audit Committee performed duties fully, according to scope of assigned responsibilities, applied knowledge and skills cautiously and independently and expressed opinion honestly for best benefit of all stakeholders. In the opinion of the Committee, Bangkok Airways Public Company Limited prepared financial report in consistent with financial reporting standard, pursuant to generally accepted accounting principles, with sufficient disclosure of information, effective internal control and risk management systems, abiding by rule of law and relevant regulations in accordance to corporate good governance principle.



( Mr. Sripop Sarasas )  
Chairman, Audit Committee

# Corporate Governance Committee Report 2022

## Attention: Shareholders, Bangkok Airways Public Company Limited

In 2022 Corporate Governance Committee carried out duties to supervise the audit and governance, arranged systematic assessment of performance and operation of company business in support of performance by Board of Directors, to ensure efficient operation of business under corporate good governance policy and principles, pursuant to international standard, summarized as follows:

- Reviewed, checked, advised and monitored result of performance according to continual Corporate Good Governance Plan, with objective and target to support international corporate governance principles, improve and develop direction to support and promote performance of duties in consistent with corporate good governance principles in a concrete manner, including to endorse set up of corporate sustainability strategic plan, building a culture to drive the organization by increasing business potentials as well as reducing impact on the environment at the same time.
- Reviewed, improved measures, endorsed personal data protection policies and guidelines and rendered advice to working committee to implement performance to comply with Personal Data Protection Act B.E. 2562 (2019) including laws relating to cyber security, to assure the Company is able to comply with related laws and regulations fully and correctly.
- Considered assessment result of performance according to corporate good governance guidelines in accordance to Corporate Governance Survey project of Thai Listed Companies 2022 organized by Thai Institute of Directors and considered survey result of quality assessment for arrangement of AGM of Shareholders in 2022 organized by Thai Investors Association. The result of the assessments and recommendations were analyzed to determine framework and guideline and proposed to the Board for consideration.

Corporate Governance Committee continued to perform duties with determination to set policy to support and ensure the Company observed moral and ethical standard in operation of the business with sustainability management under corporate good governance principles, to ascertain continuous develop and raise standard of corporate good governance, creating fair treatment to all stakeholders and raising their confidence in performance by the Company.



( Mr. Somboon Kittiyansub )

Chairman, Corporate Governance Committee

# Nomination and Remuneration Committee Report 2022

## Attention: Shareholders, Bangkok Airways Public Company Limited

Nomination and Remuneration Committee of Bangkok Airways Public Company Limited consisted of three non-executive directors, Mr. Sripop Sarasas, an independent director acted as Chairman of the Committee, Mr. Somboon Kittiyansub and Mrs Ariya Prasarttong-Osoth acting as Committee members with Ms. Trisarun Sitakalin working as Committee secretary.

In 2022 Nomination and Remuneration Committee performed duties assigned by Board of Directors with transparency and fairness, including improvement of performance to covering the Company's operational strategies for best benefit for shareholders and stakeholders by organizing two meetings for consideration of the following significant subjects.

1. Recruited and proposed appointment of directors to replace those retired by rotation. Candidates were considered according to their qualifications, knowledge and skills , experience and expertise in commercial aviation and related business, with business vision, positive attitude and determination on organizational development as they contribute to operation of sustainable business, in consistence with environment of aviation industry and competitive environment of commercial aviation business.
2. Determined remuneration of Board of Directors and sub committees by consideration of suitability to role and responsibilities, result of performance, together with overall operation result, environment of company business and other significant factors effective to the Company, commercial aviation business. Then made comparison with other companies in the same type of industry with reference to evaluation result of the Board , according to factors specified in annual evaluation form, to ensure the remuneration is suitable, transparent and variable. Remuneration for the Board and management is disclosed in the edition of annual report.
3. Conducted annual assessment of performance of Chief Executive Office and President in 2022 with recommendations for development and improvement of their performance.
4. Reviewed scope of responsibilities of Nomination and Remuneration Committee and endorsed the improvement of the Committee Charter, self-assessment of individual member and overall assessment of the Committee as a whole according to good practices of the Stock Exchange of Thailand

With regard to AGM of Shareholders 2022, Board of Directors of Bangkok Airways Public Company Limited provided opportunities for shareholders to propose names of individuals to be selected for appointment as directors. However no shareholders proposed any name to be included in the process for selection of directors.



( Mr. Sripop Sarasas )

Chairman, Nomination and  
Remuneration Committee





# Internal control

Bangkok Airways Public Company Limited believes that internal control has an impact on operational efficiency, enables the Company to achieve business target, creating the ability and flexibility to manage risks arising from changes in circumstances in all aspects.

The Company recognized that it is the duty and responsibility of each and every employee in the Company to build internal control system according

to guideline of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), covering every process and dimension such as creating control environment, risk assessment, control activities, information and communication systems including monitoring activities, the result of which can be summarized as follows:

## Control Environment

At present the COVID-19 situation has been contained, resulting in recovery of businesses and travel. People having been vaccinated were able to adjust to the situation better but found it difficult to return to work in the same way as in the past. However the Company has established flexible and adequate internal control system to support corporate good governance and sustainable business management by promoting positive attitude among all employees to perform assigned duties, recognizing the need and importance of internal control and maintaining the environment of control through activities and management as follows:

- The Company, through Board of Directors, set clear targets for operation of business by meeting with management committee to set business plan that helped the Company to achieve target as set, and approved annual budget, making it possible for each department to operate and manage business along the same line.
- Set corporate good governance policy and ethical business practices as guideline to achieve sustainable target efficiently and effectively, and as protection against performances which may cause conflict of personal interest and organizational business.
- Arranged formulation of policies and regulations, including regulation on Delegation of Authorities

to use in determination of authority, responsibility and hierarchy to approve transactions such as in finance, purchasing, personnel management, sales and marketing etc. These factors also helped to protect against problems on corruption.

- Revised organization structure to include de-centralization of power, reduction of repetitive work processes and continuous assessment of changes to ensure operation is flexible, practical, suitable and in line with New Normal practices.
- Set suitable human resources management policy and method as appropriate to circumstances, changes of life style and work process in the long run, making it necessary for the Company to adjust itself. During the past year the Company put priority on adjustment in human resources policies such as hiring policy, conditions for performance in the future and adjusted to development of new skills needed for work during post Covid-19 period.

The Company also evaluated various factors that may affect changes of environment of the organization such politics, new rules and regulations, economy, technology and business environment to ensure the environment is conducive to success and efficiency of internal control.

## Control Activities

Control activities are factors that helped to ensure internal control policy and procedures as set are implemented through out the organization, recognizing all kinds of risks in order to mitigate or prevent any damages or shortcomings that may occur. Technology is an important tool in a digital driven work place. When Covid-19 pandemic happened, digital system became a tool to better complete the work, resulting in adjustment of work processes and procedures and creating appropriate control activities.

Regarding procurement process, the Company has continuously improved and developed the process to ensure transparency and accountability in terms of quality and procurement strategy, speed of work, operational process and cost management.

## Information and Communication

The Company's Information System is efficient and sufficient for operation of the business based on data internally and externally analyzed, in order to meet needs of stakeholders and to use by management to plan and make decisions for efficient administration and management of the business.

Policy and guideline regarding information security and management of personal data were set with consideration of confidentiality, integrity and availability of data and with reference to ISO 27001 standard and related practices, including supervision of executives, employees and related third party to comply by the policy and guideline. A specific working group has also been appointed to be responsible for finding solution to problems and increasing efficiency of IS management to maintain cyber security and data leak. During the past year the Company produced/improved IS regulation, organized projects to raise and maintain information

Separation of duties is another control activity carried out in each department. More than one person will be responsible to carry out critical tasks or tasks at risk of damage from the beginning to the end. If necessary another control activity may be applied as suitable.

For related parties transactions carried out between the Company or its subsidiary and major shareholders, executives or persons related to the Company, a policy with clear procedures are in place to ensure each transaction is conducted with transparency, approved step by step according to Delegation of Authority regulation, interested parties are not involved. Such transactions are monitored regularly and reports sent to Audit Committee and Board of Directors for information.

safety/security standard, cyber security and protection against data breach.

The Company has an extensive internal and external communication system for sharing information within the company and receiving relevant information from outside such as company performance, government regulations, customers' satisfaction report, awards received. Communication of clear and accurate information helped the Company to earn confidence in operation of the business from stakeholders.

A Whistle Blower system has been set up to provide a channel for individuals both inside and outside the Company to report information relating to corruption under the Anti-Corruption Policy. Customers, business partners or shareholder can also use this channel to complain or make suggestions which can be used by the Company to improve efficiency of performance.

# Monitoring activities

The Company focused on monitoring performance while work is on-going and control evaluated by person working himself and by others not directly involved with the work. Internal Control Division reviewed internal control system on a regular basis in recognition of continuous changes in business operation.

Improvement of process and designing internal control system in consistent with changing situation together with sufficient and appropriate monitoring helped the Company to manage risks in time and create sense of confidence from shareholders and all

stakeholders. If some areas of work need improvement, methods are set to make sure that corrective actions are taken without delay. Furthermore audit reports are sent to Audit Committee on quarterly basis. The Company intended to develop knowledge and enhance understanding of all personnel to be able to follow and assess risk in the Company business operation by means of submitting reports to a working committee to analyze and summarize potential corporate risk in order to plan action to correct the situation in timely manner.





# Related Parties Transaction

In 2021, Gourmet Primo Co.,Ltd. (GP), Bangkok Reit Management Co.,Ltd. (BARM), More Than Fee Co.,Ltd. (MOR), SA Services Co.,Ltd. (SA), BFS Cargo DMK Co.,Ltd. (DMK), Bangkok Air Catering Samui Co.,Ltd. (BACUSM),

Bangkok Air Catering Chiang Mai Co.,Ltd. (BACCNX), Bangkok Air Catering Don Muang Co.,Ltd. (BACDMK) and Bangkok Airport Management Co.,Ltd. (BAM) have no related parties transaction.

## Opinion from Audit Committee:

Related parties Transactions consist of normal business transaction, normal business support transaction, short term rental or lease of immovable property transaction, and items related to assets or services transaction were

conducted with normal course of business at market terms and conditions. In the securities investment, Company and subsidiaries must be conducted under Company's securities investment policy.

Name of Related Person	Related Transaction	Value as of 2022 (Baht)	Description of Related Transaction	Type of Related Transaction
<b>1. Samui Accom Co.,Ltd.</b> <i>Relationship</i> • Common shareholders and directors	Trade account payable Expenses	1,150 77,950	BA paid for passenger and baggage services.	Normal business support transaction
	Trade account receivable Revenue Deposit	565,930 3,851,285 797,000	BA received rental and parking lots payment	Short term rental or lease of immovable property transaction
<b>2. Dhammachart Na Thai Co.,Ltd.</b> <i>Relationship</i> • Common directors • Close relatives of director is shareholder and director	Trade account receivable Revenue	1,780 35,820	BA received cargo services payment.	Normal business transaction
	Trade account payable Expenses	13,365 76,825	BA paid for merchandises.	Normal business transaction
	Expenses	9,540	BAC paid for merchandises.	Normal business transaction
<b>3. Bangkok Travel Club Co.,Ltd.</b> <i>Relationship</i> • Common shareholders and directors	Trade account receivable Revenue Deposit	5,097 937,120 346,400	BA received rental and service charge payment.	Short term rental or lease of immovable property transaction
<b>4. Natural Rice Co.,Ltd.</b> <i>Relationship</i> • Close relatives of director is shareholder and director	Trade account receivable Revenue	3,272 36,857	BA received cargo services payment.	Normal business transaction
<b>5. Bangkok Air Tour (1988) Co.,Ltd.</b> <i>Relationship</i> • Common shareholders and directors	Trade account receivable Revenue Deposit	93,098 7,335,050 896,335	BA received air ticket payment.	Normal business transaction
	Trade account payable Expenses	370,285 1,335,096	BA paid for air ticket, visa application and insurance.	Normal business transaction
	Expenses	320,850	BAC paid for air ticket.	Normal business support transaction

Name of Related Person	Related Transaction	Value as of 2022 (Baht)	Description of Related Transaction	Type of Related Transaction
6. Samui Palm Beach Resort Co.,Ltd. <i>Relationship</i> • Common shareholders and directors	Trade account payable Expenses	2,359,071 9,751,013	BA paid for accommodation services	Normal business support transaction
	Revenue	240	BA received other revenues.	Normal business transaction
7. Sukhothai Property Co.,Ltd. <i>Relationship</i> • Common shareholders and directors	Trade account payable Expenses	11,200 143,923	BA paid for accommodation services.	Normal business support transaction
	Expenses	25,830	BATC paid for accommodation services.	Normal business support transaction
8. The Sahakol Estate Co.,Ltd. <i>Relationship</i> • Common shareholders and directors	Trade account receivable Revenue	5,272 337,621	BA received rental and service charge payment.	Short term rental or lease of immovable property transaction
	Deposit	104,000		
9. Thai Petroleum Services Co.,Ltd <i>Relationship</i> • Common shareholders and directors	Trade account receivable Revenue	1,706 289,387	BA received rental and service charge payment.	Short term rental or lease of immovable property transaction
	Deposit	66,200		
10. Sabai Sabai Sukhothai Co.,Ltd. <i>Relationship</i> • Common shareholders and directors	Trade account payable Expenses	4,486 70,401	BA paid for accommodation services.	Normal business support transaction
	Trade account payable Expenses	51,709 1,820,061	BATC paid for accommodation services.	Normal business support transaction
11. Bangkok Dusit Medical Services Pcl. <i>Relationship</i> • Common shareholders and directors	Other revenue	1,237	BA received other revenues.	Normal business support transaction
	Trade account payable Expenses	64,069 848,937	BA paid for medical services.	Normal business support transaction
	Investment Dividend income	24,024,142,010 248,525,607	Long term investment of BA.	Items related to assets or services transaction
	Investment Dividend income	5,125,000,000 102,500,000	Long term investment of BAH.	Items related to assets or services transaction
	Trade account receivable Revenue	4,066 7,000	BACGH received services payment.	Normal business transaction
	Trade account receivable Revenue	13,120,338 151,602,342	BACGH received catering services payment.	Normal business transaction
	Trade account payable Expenses Deposit	860,650 12,110,839 835,036	BACGH paid for rental and service charge.	Normal business support transaction
12. Samitivej Pcl. <i>Relationship</i> • Common directors	Expenses	10,799	BA paid for medical services.	Normal business support transaction

Name of Related Person	Related Transaction	Value as of 2022 (Baht)	Description of Related Transaction	Type of Related Transaction
<b>13. Bangkok Hospital Samui Co.,Ltd.</b> <i>Relationship</i> • Common directors	Trade account receivable Revenue	100,304 358,364	BA received air tickets and other services payment.	Normal business transaction
	Expenses	19,380	BA paid for medical services.	Normal business support transaction
<b>14. Bangkok Hospital Chiang Mai Co.,Ltd.</b> <i>Relationship</i> • Common directors	Revenue	66,138	BACGH received catering services payment.	Normal business transaction
<b>15. Paolo Medic Co.,Ltd.</b> <i>Relationship</i> • Common directors	Trade account payable Expenses	187,050 1,352,096	BA paid for medical services.	Normal business support transaction
<b>16. Save Drug Center Co.,Ltd.</b> <i>Relationship</i> • Common directors	Trade account payable Expenses	29,755 249,275	BA paid for drug and first aid kits.	Normal business support transaction
<b>17. National Healthcare Systems Co.,Ltd.</b> <i>Relationship</i> • Subsidiary of BDMS • Common directors	Trade account receivable Revenue	30,214 348,198	BA received cargo services payment.	Normal business transaction
	Expenses	21,300	BA paid for Automated External Defibrillator (AED).	Normal business support transaction
<b>18. Bangkok Helicopter services Co.,Ltd.</b> <i>Relationship</i> • Subsidiary of BDMS • Common directors	Trade account receivable Revenue	273,920 3,109,014	BA received management and helicopter maintenance services payment.	Normal business support transaction
<b>19. Aeronautical Radio of Thailand Co.,Ltd.</b> <i>Relationship</i> • State enterprise under the Ministry of Transport and Communications • To provide air traffic control and aeronautical communication services for airline operations • The Ministry of Finance is a major shareholder • Common directors	Investment	3,227,000	Long term investment of BA.	Items related to assets or services transaction
	Trade account payable Expenses Deposit	28,670,455 218,226,815 72,000	BA paid for aeronautical services and related services.	Normal business support transaction
	Trade account receivable Revenue	35,602 568,454	BA received air tickets payment.	Normal business transaction
	Trade account payable Expenses	8,544 129,763	BATC paid for aeronautical services and related services.	Normal business transaction
	Expenses	10,586,830	BFS Ground paid for aeronautical services and related services.	Normal business support transaction
	Trade account payable Expenses	160,982 1,183,950	BAC paid for aeronautical services and related services.	Normal business support transaction

Name of Related Person	Related Transaction	Value as of 2022 (Baht)	Description of Related Transaction	Type of Related Transaction
	Trade account payable Expenses	41,302 314,700	BACHKT paid for aeronautical services and related services.	Normal business support transaction
	Trade account payable Expenses	47,392 495,938	PGGS paid for aeronautical services and related services.	Normal business transaction
20. Bangkok Aviation Fuel Services Pcl. <i>Relationship</i> • Common directors	Investment	2,007,715,500	Long term investment of BA.	Items related to assets or services transaction
	Revenue Trade account receivable Rental deposit Deposit	203,040 17,901 41,000 3,000	BA received communication equipments and utilities payment.	Normal business support transaction
	Expenses Deposit	1,127,744 195,724	BA paid for rental and service charge payment.	Short term rental or lease of immovable property transaction
21. Fuel Pipeline Transportation Co.,Ltd. <i>Relationship</i> • Common directors	Investment	542,019,870	Long term investment of BA.	Items related to assets or services transaction





# Independent Auditor's Report

To the Shareholders of Bangkok Airways Public Company Limited

## Opinion

I have audited the accompanying consolidated financial statements of Bangkok Airways Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have

also audited the separate financial statements of Bangkok Airways Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Airways Public Company Limited and its subsidiaries and of Bangkok Airways Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards as issued

by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Emphasis of matter

I draw attention to Note 1.2 to the consolidated financial statements, the new COVID-19 impacts on the aviation, tourism industries, including the Group's business activities. These events have directly affected the Group in terms of passenger fare as well as sales and service income, including operating loss and total current

liabilities exceeded total current assets. These circumstances have impacts to the Group's financial position, operating results, and cash flows, including compliance with debt covenants under long-term loan agreements and aircraft lease agreements. My opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to

these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

### Impairment assessment of property, plant and equipment and right-of-use assets

As disclosed in Note 14 and 15.1 to the consolidated financial statements, the Group had property, plant and equipment and right-of-use assets for operation. In determining the impairment loss of property, plant and equipment and right-of-use assets, management is required to exercise significant judgements with respect to identification of cash generating units and expected recoverable amount of those assets. There is therefore a risk of recognising insufficient impairment loss and overstating the values of property, plant and equipment and right-of-use assets. I have therefore considered the impairment assessment of property, plant and equipment and right-of-use assets to be a key audit matter.

**The following significant audit procedures were performed in respect of above matter.**

- Enquiring of the management and considering the reasonableness of policy on determine the estimated useful lives of property, plant and equipment and right-of-use assets.

- Gaining an understanding of the management's consideration of the cash generating units whether it is consistent with asset utilisation and recoverable amount calculation.

- Considering and testing the significant assumptions applied by the Group's management in preparing cash flow projection from those operating assets in order to evaluate the exercise of management judgement.

- Considering the scope and objectives of the fair value measurement performed by the independent appraiser, and evaluating the techniques and models as specified in the appraisal report, applied by the independent appraiser to measure the fair value, and also reviewing the necessary information and key assumptions used in the measurement of fair value.

- Reviewing the disclosures made in respect of the impairment amount of these assets.

### Revenue recognition of passenger fare

As disclosed in Note 4.1 to the consolidated financial statements with respect to revenue recognition, passenger fare is the most significant amount in the statement of comprehensive income. In addition, the Company's passenger fare has been directly impacted by a competitive market environment, fuel prices, economic conditions and other external factors. I therefore considered the revenue recognition of

passenger fare to be a key audit matter and have focused on the audit of occurrence and timing of revenue recognition.

**The following significant audit procedures were performed in respect to above matter.**

- Assessing and testing the Company's IT system and its internal controls with respect to the ticket reservation and recognition of passenger fare revenue when

passengers travel to the route they have reserved by making enquiry of responsible executives, gaining an understanding of the controls and selecting samples to test the operation of the designed controls.

- Applying a sampling method to select the ticket reservation transactions and check them against payment information and external reports obtained from financial institutions.
- Applying a sampling method to select and check the flight data recorded in the revenue report against the flight schedule, including entries in corresponding ledgers, to validate the accuracy and completeness of passenger fare occurring during the year and near the end of the accounting period.

- Applying a sampling method to select and send confirmation of the flight data recorded in the revenue report against external reports obtained from Airport Authorities to ensure the existence of revenue.

- Selecting samples of the recorded adjustment transactions to check them against documents relating to passenger fare.
- Performing substantive analytical procedures and analytical procedures on disaggregated data to detect possible irregularities in passenger fare transactions throughout the accounting period.

## Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of

the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were

of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

**Sumana Punponsonon**

Certified Public Accountant (Thailand) No. 5872

EY Office Limited

Bangkok: 23 February 2023

# Statement of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
• Cash and cash equivalents	7	3,591,691,730	2,125,934,543	2,810,669,030	1,458,554,130
• Trade and other receivables	6, 8	1,184,818,397	372,558,468	722,248,664	175,320,984
• Inventories	9	464,630,000	438,484,715	356,616,490	350,074,426
• Prepaid expenses		97,312,230	64,802,921	67,379,820	53,399,977
• Reimbursable maintenance expenses		126,491,894	14,330,049	126,491,894	14,330,049
• Other current financial assets	10	3,055,472,954	-	3,000,000,000	-
• Other current assets		87,776,390	89,608,988	23,327,122	54,872,361
<b>Total current assets</b>		<b>8,608,193,595</b>	<b>3,105,719,684</b>	<b>7,106,733,020</b>	<b>2,106,551,927</b>
<b>Non-current assets</b>					
• Other non-current financial assets	10	32,555,951,588	25,965,023,276	26,610,951,588	21,250,023,276
• Investments in subsidiaries	11	-	-	5,672,789,429	4,734,471,937
• Investments in associates	12	4,844,613,029	2,226,250,520	4,839,404,500	2,254,404,500
• Long-term loan to and interest receivable from related party	6	-	-	321,891,616	210,565,380
• Investment properties	13	413,563,980	363,874,988	910,780,406	608,316,970
• Property, plant and equipment	14	8,269,753,474	8,927,241,420	6,455,822,563	7,216,333,439
• Right-of-use assets	15.1	5,419,240,801	6,966,401,852	5,081,048,389	6,567,486,384
• Intangible assets	16	290,592,879	382,497,122	104,608,253	146,531,205
• Deferred tax assets	30.1	29,841,921	26,321,097	-	-
• Deposits	6	608,245,716	491,532,042	504,813,772	479,203,652
• Other non-current assets	17	1,205,551,851	484,236,648	1,151,024,805	433,098,015
<b>Total non-current assets</b>		<b>53,637,355,239</b>	<b>45,833,378,965</b>	<b>51,653,135,321</b>	<b>43,900,434,758</b>
<b>Total assets</b>		<b>62,245,548,834</b>	<b>48,939,098,649</b>	<b>58,759,868,341</b>	<b>46,006,986,685</b>

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
• Bank overdraft and short-term loans from financial institutions	18	767,905,716	917,000,000	460,000,000	720,000,000
• Trade and other payables	6, 19	1,557,775,055	967,361,598	1,482,711,734	743,170,977
• Dividend payables		2,584,612	2,592,399	2,584,612	2,592,399
• Current portion of long-term loans	20	7,579,965,547	15,616,969,876	7,479,296,904	15,139,310,973
• Current portion of long-term loan from related party	6	-	1,000,000,000	-	1,000,000,000
• Current portion of lease liabilities	15.1	3,191,683,848	3,229,531,634	3,081,800,708	3,139,891,114
• Current portion of long-term financial liability from related party	21	92,500,000	-	-	-
• Accrued corporate income tax		37,527,853	78,681	-	-
• Unearned income		1,791,553,964	375,844,903	1,785,773,988	367,608,788
• Current portion of deferred revenue from related parties	6, 21	6,821,360	-	578,821,360	-
• Other current liabilities	6, 22	2,198,199,927	1,694,094,589	1,764,259,169	1,496,630,494
<b>Total current liabilities</b>		<b>17,226,517,882</b>	<b>23,803,473,680</b>	<b>16,635,248,475</b>	<b>22,609,204,745</b>
<b>Non-current liabilities</b>					
• Long-term loans - net of current portion	20	6,763,313,080	4,540,079,345	5,436,100,818	3,613,871,307
• Lease liabilities - net of current portion	15.1	529,973,656	2,128,618,939	223,631,758	1,742,748,863
• Long-term financial liability from related party - net of current portion	21	14,310,972,854	-	-	-
• Provision for long-term employee benefits	23	899,542,317	853,552,213	754,137,647	727,316,270
• Deferred tax liabilities	30.1	5,650,851,709	4,311,021,948	4,656,064,761	3,561,516,126
• Other non-current financial liabilities	38.1	26,610,777	128,286,135	25,960,816	120,545,090
• Deferred revenue from related parties - net of current portion	6, 21	61,392,237	-	13,608,258,904	-
• Provision for transaction under equity method of investments in subsidiaries	11	-	-	615,983,356	409,684,499
• Other non-current liabilities		12,830,497	12,131,412	-	-
<b>Total non-current liabilities</b>		<b>28,255,487,127</b>	<b>11,973,689,992</b>	<b>25,320,138,060</b>	<b>10,175,682,155</b>
<b>Total liabilities</b>		<b>45,482,005,009</b>	<b>35,777,163,672</b>	<b>41,955,386,535</b>	<b>32,784,886,900</b>

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Shareholders' equity</b>					
Share capital					
• Registered					
- 2,100,000,000 ordinary shares of Baht 1 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
• Issued and paid-up					
- 2,100,000,000 ordinary shares of Baht 1 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
• Premium on ordinary shares		9,218,838,784	9,319,655,848	9,218,838,784	9,319,655,848
• Discount on changes in shareholding in subsidiaries		(211,165,781)	(211,165,781)	(211,165,781)	(211,165,781)
• Retained earnings (Deficit)					
- Appropriated					
Statutory reserve	24	210,000,000	210,000,000	210,000,000	210,000,000
Others	25	-	464,935,952	-	464,935,952
- Unappropriated		(16,191,390,242)	(14,597,232,965)	(16,205,144,536)	(14,573,456,586)
• Treasury stocks	25	-	(464,935,952)	-	(464,935,952)
• Other components of shareholders' equity		21,691,953,339	16,377,066,304	21,691,953,339	16,377,066,304
• Equity attributable to owners of the Company		16,818,236,100	13,198,323,406	16,804,481,806	13,222,099,785
• Non-controlling interests of the subsidiaries		(54,692,275)	(36,388,429)	-	-
Total shareholders' equity		16,763,543,825	13,161,934,977	16,804,481,806	13,222,099,785
<b>Total liabilities and shareholders' equity</b>		<b>62,245,548,834</b>	<b>48,939,098,649</b>	<b>58,759,868,341</b>	<b>46,006,986,685</b>

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



# Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Profit or loss:</b>					
<b>Revenues</b>					
• Passenger fare	6, 26	8,451,129,472	1,190,605,673	8,452,122,441	1,190,608,973
• Sales and service income	6, 26	2,534,392,446	1,476,884,248	-	-
• Freight	26	75,697,644	6,327,837	75,713,673	6,329,348
• Passenger service charge	26	243,568,199	43,075,853	153,675,769	43,075,853
• Dividend income	6	516,799,345	826,806,952	869,999,128	1,198,387,851
• Gain on derivatives		1,347,471	529,363,704	1,347,471	529,363,704
• Other income	6, 26	919,143,137	1,595,416,105	1,133,611,866	1,667,013,049
<b>Total revenues</b>		<b>12,742,077,714</b>	<b>5,668,480,372</b>	<b>10,686,470,348</b>	<b>4,634,778,778</b>
<b>Expenses</b>					
• Cost of sales and services	6	11,523,611,319	6,115,335,979	9,894,280,514	4,818,651,374
• Selling and distribution expenses		797,688,957	281,641,301	772,249,494	253,016,476
• Administrative expenses	6	1,299,686,056	1,269,306,674	757,284,233	794,759,407
• Loss on exchange		137,087,853	473,450,684	144,890,045	475,472,421
• Other expenses		9,029,607	5,335,634	-	-
<b>Total expenses</b>		<b>13,767,103,792</b>	<b>8,145,070,272</b>	<b>11,568,704,286</b>	<b>6,341,899,678</b>
<b>Net loss of the lease agreement termination of Samui Airport Property Fund</b>					
• Dividend income - the Fund		-	-	-	2,599,673,862
• Share of profit from investment in associate - the Fund		-	2,056,226,960	-	-
• Net loss on lease agreement termination		-	(7,490,904,800)	-	(8,858,817,086)
<b>Net</b>		<b>-</b>	<b>(5,434,677,840)</b>	<b>-</b>	<b>(6,259,143,224)</b>
<b>Operating loss</b>					
• Share of loss from investments in subsidiaries	11.2	-	-	(216,741,453)	(293,980,521)
• Share of profit from investments in associates	12.2	489,062,292	453,155,656	-	-
• Finance income	6, 27	14,009,542	6,527,069	22,321,052	7,143,308
• Finance cost	6, 28	(1,489,450,736)	(1,264,783,237)	(1,045,238,513)	(1,187,373,897)
• Loss before income tax revenues (expenses)		(2,011,404,980)	(8,716,368,252)	(2,121,892,852)	(9,440,475,234)
• Income tax revenues (expenses)	30.2	(114,490,461)	116,520,768	(25,822,191)	145,024,286
<b>Loss for the year</b>		<b>(2,125,895,441)</b>	<b>(8,599,847,484)</b>	<b>(2,147,715,043)</b>	<b>(9,295,450,948)</b>

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

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
<b>Other comprehensive income:</b>					
• Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
• Share of other comprehensive income from investments in subsidiaries	11.2	-	-	6,381,974	3,703,315
• Gain on cash flow hedges	30.3	61,399,439	92,593,316	54,308,354	85,514,560
• Less: Income tax effect	30.3	3,302,561	(2,963,960)	3,302,561	-
• Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		64,702,000	89,629,356	63,992,889	89,217,875
• Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
• Share of other comprehensive income from investments in subsidiaries	11.2	-	-	990,403,111	379,393,123
• Gain on changes in value of equity investments designated at fair value through other comprehensive income	30.3	6,563,618,419	2,529,294,809	5,333,618,420	2,057,794,809
• Less: Income tax effect	30.3	(1,312,723,683)	(505,858,962)	(1,066,723,684)	(411,558,962)
• Actuarial gain on defined benefits plan	23	58,255,129	21,036,514	50,159,883	18,263,788
• Less: Income tax effect	30.3	(7,091,492)	(3,581,585)	(5,472,443)	(3,027,040)
• Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		5,302,058,373	2,040,890,776	5,301,985,287	2,040,865,718
Other comprehensive income for the year		5,366,760,373	2,130,520,132	5,365,978,176	2,130,083,593
<b>Total comprehensive income for the year</b>		<b>3,240,864,932</b>	<b>(6,469,327,352)</b>	<b>3,218,263,133</b>	<b>(7,165,367,355)</b>
<b>Loss attributable to:</b>					
• Equity holders of the Company		(2,110,184,370)	(8,549,862,288)	(2,147,715,043)	(9,295,450,948)
• Non-controlling interests of the subsidiaries		(15,711,071)	(49,985,196)		
		(2,125,895,441)	(8,599,847,484)		
<b>Total comprehensive income attributable to:</b>					
• Equity holders of the Company		3,255,793,806	(6,419,778,695)	3,218,263,133	(7,165,367,355)
• Non-controlling interests of the subsidiaries		(14,928,874)	(49,548,657)		
		3,240,864,932	(6,469,327,352)		
<b>Earnings per share</b>					
• Basic earnings per share	32				
• Loss attributable to equity holders of the Company		(1.01)	(4.15)	(1.02)	(4.51)
<b>Weighted average number of ordinary shares (shares) of Baht 1 each</b>		<b>2,097,516,805</b>	<b>2,060,477,161</b>	<b>2,097,516,805</b>	<b>2,060,477,161</b>

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

(Unit: Baht)

## Consolidated financial statements

Equity attributable to owners of the Company

	Equity attributable to owners of the Company											Total shareholders' equity	
	Retained earnings (Deficit)					Other components of shareholders' equity					Total equity attributable to owners of the Company		
	Issued and paid-up share capital	Premium on ordinary shares	Discount on shareholding in subsidiaries	Appropriated		Unappropriated	Treasury stock	Fair value reserve	Cash flow hedge reserve	Total other components of shareholders' equity			Equity attributable to non-controlling interests of the subsidiaries
Statutory reserve				Others									
Balance as at 1 January 2021	2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	491,556,177	(6,091,420,989)	(491,556,177)	14,431,418,285	(167,005,477)	14,264,412,808	19,591,307,900	14,285,269	19,605,593,169
• Loss for the year	-	-	-	-	-	(8,549,862,288)	-	-	-	-	(8,549,862,288)	(49,985,196)	(8,599,847,484)
• Other comprehensive income for the year	-	-	-	-	-	17,430,097	-	2,023,435,621	89,217,875	2,112,653,496	2,130,083,593	436,539	2,130,520,132
• Total comprehensive income for the year	-	-	-	-	-	(8,532,432,191)	-	2,023,435,621	89,217,875	2,112,653,496	(6,419,778,695)	(49,548,657)	(6,469,327,352)
• Treasury stock sold	-	173,976	-	-	(26,620,225)	26,620,225	-	-	-	-	26,794,201	-	26,794,201
• Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,125,041)	(1,125,041)
<b>Balance as at 31 December 2021</b>	<b>2,100,000,000</b>	<b>9,319,655,848</b>	<b>(211,165,781)</b>	<b>210,000,000</b>	<b>464,935,952</b>	<b>(14,597,232,965)</b>	<b>(464,935,952)</b>	<b>16,454,853,906</b>	<b>(77,787,602)</b>	<b>16,377,066,304</b>	<b>13,198,323,406</b>	<b>(36,388,429)</b>	<b>13,161,934,977</b>
Balance as at 1 January 2022	2,100,000,000	9,319,655,848	(211,165,781)	210,000,000	464,935,952	(14,597,232,965)	(464,935,952)	16,454,853,906	(77,787,602)	16,377,066,304	13,198,323,406	(36,388,429)	13,161,934,977
• Loss for the year	-	-	-	-	-	(2,110,184,370)	-	-	-	-	(2,110,184,370)	(15,711,071)	(2,125,895,441)
• Other comprehensive income for the year	-	-	-	-	-	51,091,141	-	5,250,894,146	63,992,889	5,314,887,035	5,365,978,176	782,197	5,366,760,373
• Total comprehensive income for the year	-	-	-	-	-	(2,059,093,229)	-	5,250,894,146	63,992,889	5,314,887,035	3,255,793,806	(14,928,874)	3,240,864,932
• Treasury stock sold	-	(100,817,064)	-	-	(464,935,952)	464,935,952	-	-	-	-	364,118,888	-	364,118,888
• Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(3,374,972)	(3,374,972)
<b>Balance as at 31 December 2022</b>	<b>2,100,000,000</b>	<b>9,218,838,784</b>	<b>(211,165,781)</b>	<b>210,000,000</b>	<b>(16,181,330,242)</b>	<b>-</b>	<b>-</b>	<b>21,705,748,052</b>	<b>(13,794,713)</b>	<b>21,691,953,339</b>	<b>16,818,236,100</b>	<b>(54,692,275)</b>	<b>16,763,543,825</b>

Balance as at 31 December 2022

(Unit: Baht)

## Separate financial statements

	Other components of shareholders' equity											
	Retained earnings (Deficit)					Other comprehensive income					Total other components of shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Discount on changes in shareholding in subsidiaries	Appropriated		Treasury stock	Share of other comprehensive income from investments in subsidiaries	Fair value reserve	Cash flow hedge reserve	Total shareholders' equity		
Note				Statutory reserve	Others	Unappropriated						
Balance as at 1 January 2021	2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	491,556,177	(5,322,055,960)	(491,556,177)	2,866,927,665	11,553,820,859	(156,335,716)	14,264,412,808	20,360,672,939
• Loss for the year	-	-	-	-	-	(9,295,450,948)	-	-	-	-	-	(9,295,450,948)
• Other comprehensive income for the year	-	-	-	-	-	17,430,097	-	380,903,089	1,646,235,847	85,514,560	2,112,653,496	2,130,083,593
• Total comprehensive income for the year	-	-	-	-	-	(9,278,020,851)	-	380,903,089	1,646,235,847	85,514,560	2,112,653,496	(7,165,367,355)
• Treasury stock sold	-	173,976	-	-	(26,620,225)	26,620,225	26,620,225	-	-	-	-	26,794,201
<b>Balance as at 31 December 2021</b>	<b>2,100,000,000</b>	<b>9,319,655,848</b>	<b>(211,165,781)</b>	<b>210,000,000</b>	<b>464,935,952</b>	<b>(14,573,456,586)</b>	<b>(464,935,952)</b>	<b>3,247,830,754</b>	<b>13,200,056,706</b>	<b>(70,821,156)</b>	<b>16,377,066,304</b>	<b>13,222,099,785</b>
Balance as at 1 January 2022	2,100,000,000	9,319,655,848	(211,165,781)	210,000,000	464,935,952	(14,573,456,586)	(464,935,952)	3,247,830,754	13,200,056,706	(70,821,156)	16,377,066,304	13,222,099,785
• Loss for the year	-	-	-	-	-	(2,147,715,043)	-	-	-	-	-	(2,147,715,043)
• Other comprehensive income for the year	-	-	-	-	-	51,091,141	-	990,381,384	4,266,894,736	57,610,915	5,314,887,035	5,365,978,176
• Total comprehensive income for the year	-	-	-	-	-	(2,096,623,902)	-	990,381,384	4,266,894,736	57,610,915	5,314,887,035	3,218,263,133
• Treasury stock sold	-	(100,817,064)	-	-	(464,935,952)	464,935,952	464,935,952	-	-	-	-	364,118,888
<b>Balance as at 31 December 2022</b>	<b>2,100,000,000</b>	<b>9,218,838,784</b>	<b>(211,165,781)</b>	<b>210,000,000</b>	<b>-</b>	<b>(16,205,144,536)</b>	<b>-</b>	<b>4,238,212,138</b>	<b>17,465,951,442</b>	<b>(13,210,241)</b>	<b>21,691,953,389</b>	<b>16,804,491,606</b>

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

# Statement of cash flows

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
• Loss before tax	(2,011,404,980)	(8,716,368,252)	(2,121,892,852)	(9,440,475,234)
• Net loss of the lease agreement termination of the Fund	-	5,434,677,840	-	6,259,143,224
• Loss before net loss of the lease agreement termination of the Fund	(2,011,404,980)	(3,281,690,412)	(2,121,892,852)	(3,181,332,010)
• Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
- Depreciation and amortisation	2,430,719,037	2,342,281,355	2,085,993,135	1,943,851,441
- Gain on terminated lease contracts	-	(457,543)	-	(667,521)
- Allowance for expected credit losses	15,356,333	11,621,442	14,794,452	7,855,616
- Reduction of inventory to net realisable value (reversal)	(1,403,270)	1,749,787	(8,106)	(44,136)
- Loss (gain) on sales of equipment	5,832,708	(1,648,087)	5,327,596	4,555,606
- Deferred revenue from related parties	(6,821,359)	-	(187,954,693)	-
- Share of loss from investments in subsidiaries	-	-	216,741,453	293,980,521
- Share of profit from investments in associates	(489,062,292)	(453,155,656)	-	-
- Provision for long-term employee benefits	119,009,588	105,865,278	84,888,462	80,452,366
- Reversal of provision for long-term employee benefits	-	(11,204,482)	-	-
- Unrealised loss (gain) on exchange	(31,191,870)	447,204,937	(29,670,528)	446,650,813
- Unrealised gain on derivatives	-	(530,083,050)	-	(530,083,050)
- Impairment loss on equipment (reversal)	4,056,745	(56,362,532)	-	(129,251,797)
- Reversal of impairment loss on right-of-use assets	-	(672,472,456)	-	(672,472,456)
- Dividend income	(516,799,345)	(826,806,952)	(869,999,128)	(1,198,387,851)
- Finance income	(14,009,542)	(6,527,069)	(22,321,052)	(7,143,308)
- Finance cost	1,489,450,736	1,264,783,237	1,045,238,513	1,187,373,897
• Profit (loss) from operating activities before changes in operating assets and liabilities	993,732,489	(1,666,902,203)	221,137,252	(1,754,661,869)
• Operating assets (increase) decrease				
- Trade and other receivables	(851,894,790)	18,050,593	(586,203,054)	(37,323,081)
- Inventories	(24,742,015)	36,383,805	(6,533,958)	28,554,295
- Other current assets	(155,031,365)	36,822,873	(106,981,164)	17,256,533
- Other non-current assets	(119,769,104)	77,048,313	(6,085,080)	91,611,538
• Operating liabilities decrease				
- Trade and other payables	593,387,336	(161,009,154)	740,985,506	(199,089,408)
- Other current liabilities	1,902,680,981	(207,231,075)	1,669,223,311	(248,717,004)
- Long-term employee benefits paid	(14,764,355)	(18,532,931)	(7,907,202)	(6,948,998)
- Deferred revenue from related party	-	-	14,300,000,000	-
- Other non-current liabilities	699,085	(1,501,129)	-	-
• Cash flows from (used in) operating activities	2,324,298,262	(1,886,870,908)	16,217,635,611	(2,109,317,994)
Corporate income tax paid	(755,979,699)	(286,957,602)	(718,093,912)	(272,247,249)
<b>Net cash flows from (used in) operating activities</b>	<b>1,568,318,563</b>	<b>(2,173,828,510)</b>	<b>15,499,541,699</b>	<b>(2,381,565,243)</b>

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
• Decrease (increase) in restricted bank deposits	163,690	(4,227,417)	163,690	(7,787,243)
• Increase in fixed deposits	(3,055,472,954)	-	(3,000,000,000)	-
• Cash paid for acquisition of investment in subsidiary	-	-	(250,099,970)	-
• Cash paid for acquisition of investment in associates	(2,585,000,000)	-	(2,585,000,000)	-
• Cash paid for acquisition of property, plant and equipment	(215,295,126)	(79,724,392)	(151,869,442)	(43,155,242)
• Cash paid for acquisition of intangible assets	(5,144,241)	(496,550)	(5,074,240)	(100,000)
• Cash paid for derivatives	-	(558,964,064)	-	(558,964,064)
• Cash paid for loan to related party	-	-	(100,000,000)	(100,000,000)
• Cash received from finance income	13,061,472	6,555,014	10,238,652	1,906,969
• Dividend income from investments in subsidiaries	-	-	298,124,967	100,374,959
• Dividend income from investments in associates	455,699,783	535,580,899	455,699,783	535,580,899
• Dividend income from investment in associate - the Fund	-	2,599,673,862	-	2,599,673,862
• Dividend income from investments in equity instruments	516,799,345	826,806,952	414,299,345	662,806,952
• Cash received from sales of equipment	121,307,018	13,248,492	115,689,682	3,081,637
• Cash received from capital distribution of investment in associate	-	2,686,744,279	-	2,686,744,279
• Cash received from sales of investments in equity instruments	709,300	725,400	709,300	725,400
<b>Net cash flows from (used in) investing activities</b>	<b>(4,753,171,713)</b>	<b>6,025,922,475</b>	<b>(4,797,118,233)</b>	<b>5,880,888,408</b>
<b>Cash flows from financing activities</b>				
• Decrease in short-term loans from financial institutions	(149,094,284)	(188,000,000)	(260,000,000)	50,000,000
• Cash received from long-term loans	560,000,000	17,240,000,000	500,000,000	17,000,000,000
• Repayment of long-term loans	(6,353,151,773)	(135,918,781)	(6,317,165,737)	(114,479,561)
• Repayment of long-term loan from related party	(1,000,000,000)	-	(1,000,000,000)	-
• Cash received from long-term financial liability from related party	14,300,000,000	-	-	-
• Payment of principal portion of lease liabilities	(1,643,531,075)	(1,732,804,547)	(1,553,081,785)	(1,643,595,020)
• Cash paid for long-term lease agreement termination from related party	-	(18,050,000,000)	-	(18,050,000,000)
• Cash paid for finance cost	(1,424,348,660)	(1,066,213,593)	(1,084,172,145)	(1,003,734,202)
• Cash received from sales of treasury stock	364,118,888	26,794,201	364,118,888	26,794,201
• Dividend paid	(7,787)	(8,432)	(7,787)	(8,432)
• Dividend paid to non-controlling interests of the subsidiaries	(3,374,972)	(1,125,041)	-	-
<b>Net cash flows from (used in) financing + activities</b>	<b>4,650,610,337</b>	<b>(3,907,276,193)</b>	<b>(9,350,308,566)</b>	<b>(3,735,023,014)</b>
Net increase (decrease) in cash and cash equivalents	1,465,757,187	(55,182,228)	1,352,114,900	(235,699,849)
Cash and cash equivalents at beginning of the year	2,125,934,543	2,181,116,771	1,458,554,130	1,694,253,979
<b>Cash and cash equivalents at end of the year (Note 7)</b>	<b>3,591,691,730</b>	<b>2,125,934,543</b>	<b>2,810,669,030</b>	<b>1,458,554,130</b>

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

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Supplemental cash flow information:</b>				
• Non-cash items				
- Decrease in dividend payables	(7,787)	(8,432)	(7,787)	(8,432)
- Increase in payable from acquisition of assets	1,784,000	766,727	1,994,182	133,416
- Increase in right-of-use assets from lease liabilities	86,368,888	11,546,554	55,205,156	10,178,926
- Increase in investment properties transferred from related party	75,034,956	-	75,034,957	-
- Increase in investment properties transferred from property, plant and equipment	-	-	259,402,100	-
- Gain on changes in value of equity investments designate at fair value through other comprehensive income - net of income tax	5,250,894,736	2,023,435,847	4,266,894,736	1,646,235,847

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

# Notes to consolidated financial statements

For the year ended 31 December 2022

## 1. General information

### 1.1 The Company's general information

Bangkok Airways Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged

in the provision of air transportation and airport services. The registered office of the Company is at 99 Moo 14, Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok.

### 1.2 Coronavirus disease 2019 Pandemic

The new COVID-19 impacts on the aviation, tourism industries, including the Group's business activities. These events have directly affected the Group in terms of passenger fare as well as sales and service income, including operating loss and total current liabilities exceeded total current assets. These circumstances are impacting the Group's financial position, operating results, and cash flows, including compliance with debt covenants under long-term loan agreements and aircraft lease agreements.

At present, the Group has investments in equity instruments of listed companies that are readily convertible into working capital available and lines of credit. In addition, there are the operation and management of the business, responding changes in the current situation to manage the liquidity and cash flows of the Group. The management is confident that implementation of these measures will enable the Group to continue as a going concern.

## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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. The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Bangkok Airways Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):



Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
<b>Held by the Company</b>				
<ul style="list-style-type: none"> <li>• Bangkok Air Catering Co., Ltd.</li> <li>• Bangkok Airways Ground Services Co., Ltd.</li> <li>• Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.</li> <li>• Bangkok Airways Holding Co., Ltd.</li> <li>• Bangkok Airport Management Co., Ltd.</li> </ul>	Catering services Ground services Ground services  Holding Airport management	Thailand Thailand Thailand  Thailand Thailand	90.00 99.99 98.88  99.99 99.99	90.00 99.99 98.88  99.99 -
<b>Held by subsidiary companies</b>				
<ul style="list-style-type: none"> <li>• BAC Gourmet House Co., Ltd. (99.99% held by Bangkok Air Catering Co., Ltd.)</li> <li>• Bangkok Air Catering Phuket Co., Ltd. (99.96% held by Bangkok Air Catering Co., Ltd.)</li> <li>• Bangkok Air Catering Samui Co., Ltd (99.99% held by Bangkok Air Catering Co., Ltd.)</li> <li>• Bangkok Air Catering Chiang Mai Co., Ltd. (99.99% held by Bangkok Air Catering Co., Ltd.)</li> <li>• Bangkok Air Catering Don Mueang Co., Ltd. (70.00% held by Bangkok Air Catering Co., Ltd. and 30.00% held by Gourmet Primo Co., Ltd.)</li> <li>• SA Services Co., Ltd. (99.99% held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)</li> <li>• BFS Cargo DMK Co., Ltd. (51.00% held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)</li> <li>• Gourmet Primo Co., Ltd (99.99% held by Bangkok Airways Holding Co., Ltd.)</li> <li>• More Than Free Co., Ltd. (100.00% held by Bangkok Airways Holding Co., Ltd.)</li>   <li>• Bangkok Air Aviation Training Center Co., Ltd (100.00% held by Bangkok Airways Holding Co., Ltd.)</li> <li>• Bangkok Reit Management Co., Ltd. (99.99% held by Bangkok Airways Holding Co., Ltd.)</li> </ul>	Restaurant  Catering services Catering services Catering services Catering services  Ground services  Cargo  Produce and process food for distribution Distribution of souvenirs in duty free shop and rendering management services  Aviation training business REIT management	Thailand  Thailand Thailand Thailand Thailand  Thailand Thailand  Thailand Thailand	89.99  89.96 89.99 89.99 92.99  98.87  50.43  99.98 99.99  99.99 99.99	89.99  89.96 89.99 89.99 92.99  98.87  50.43  99.98 99.99  99.99 -

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that has significant affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are

prepared using the same significant accounting policies as the Company.

- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

### 3. New financial reporting standards

#### 3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

However, the Group has adopted the temporary reliefs in accordance with TFRS 9 Financial Instruments, TFRS 7 Disclosure of Financial Instruments, TFRS 4 Insurance Contracts and TFRS 16 Leases, which apply to transactions directly affected by interest rate benchmark reform, including changes to contractual cash flows or hedging relationships arising from the replacement of the referenced interest rate benchmark with an alternative benchmark rate.

The adoption of these temporary reliefs does not have any significant impact on the Group's financial statements.

#### 3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting

treatment and providing accounting guidance for users of the standards

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

## 4. Significant accounting policies

### 4.1 Revenues and expenses recognition

#### Passenger revenues

Revenue from ticket sales is recognised as revenue in profit or loss when transportation is provided.

#### Customer loyalty programmes

The Company operates a loyalty programme which allows customers to accumulate points when customers purchase tickets from and service is provided by the Company. The points can be redeemed for air tickets, hotel accommodations or gifts under conditions set by the Company.

The value of air tickets sales and redemption costs are allocated to the points issued, at the fair value of the points, and gradually recognised as revenue when the points are redeemed and the Company fulfills its contractual obligation to supply rewards.

#### Service rendered

Revenue from providing service to passengers, freight and passenger service charge is recognised in profit or loss when the services are provided.

#### Revenue from changing air ticket

Revenue from changing air ticket is recognised as revenue when service is provided.

#### Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

#### Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

#### Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### Dividends

Dividends are recognised when the right to receive the dividends is established.

### 4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### 4.3 Inventories

Inventories are valued at the lower of cost (under the first in - first out method) or net realisable value. Spare parts, supplies and air tickets are valued at cost (under the moving average method) and constituted part of expenses whenever consumed.

### 4.4 Reimbursable maintenance expenses

Reimbursable maintenance expenses are prepayment maintenance reserve fund which the Company pay to the lessor at the rate specified in the agreement. The Company can reimburse when sending the aircraft to maintenance in accordance with maintenance plan with the conditions stipulated in the agreements.

### 4.5 Investments in subsidiaries and associates

Investments in associates are accounted for in the consolidated financial statements using the equity method. Investments in subsidiaries are accounted for in the separate financial statements using the equity method. Investments in associates are accounted for in the separate financial statements using the cost method.

#### 4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives:

Office and shops for rent	20 - 50 years
Airport and improvements	30 - 60 years
Right-of-use assets for rent	3 - 20 years

#### 4.7 Property, plant and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Buildings and improvements	5 - 20 years
Airport and improvements	20 - 60 years
Aircrafts	20 years
Aircraft parts and ground equipment	3 - 20 years

#### 4.8 Intangible assets and amortisation

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite useful lives are amortised on the straight-line basis over the economic useful lives and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each

Depreciation of the investment properties is included in determining income.

No depreciation is provided on land for rent.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

Furniture, fixtures and equipment	3 - 10 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Right to operate the business	20 years
Computer software	5 - 10 years

## 4.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control

### The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date

### Right-of-use assets

impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	2 - 26 years
Buildings and improvements	2 - 54 years

### Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as

### Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the

the use of an identified asset for a period of time in exchange for consideration.

the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Aircrafts	2 - 20 years
Aircraft parts and ground equipment	3 years
Furniture, fixtures and equipment	2 - 5 years
Motor vehicles	2 - 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

#### 4.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### 4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the

transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### 4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investment properties or other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### 4.13 Employee benefits

##### Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### Post-employment benefits

###### Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement

under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

#### 4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic

benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 4.15 Treasury shares

The Group's own equity instruments that have been reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference

between the carrying amount and the consideration received, if reissued, is recognised in share premium.

The weighted average method is used for computation of the unit cost of treasury shares.

#### 4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be

available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.17 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a

significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classi-

fication of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

##### Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.



### **Financial assets designated at FVOCI (equity instruments)**

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### **Financial assets at FVTPL**

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, which the Group has adopted hedge accounting for interest rate swap agreements and cross currency and interest rate swap agreements.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in

profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Regular way purchases and sales of financial assets**

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, the date on which the Group commits to purchase or sell the asset.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are

more than 180 days past due and considers a financial asset as credit impaired or default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to

offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 4.18 Derivatives and hedge accounting

The Group uses derivatives, such as interest rate swap agreements and cross currency and swaps agreements to hedge its fluctuation in interest rate and foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives

are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as other non-current financial assets or other non-current financial liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as other current financial assets or other current financial liabilities.

## Hedge accounting

For the purpose of hedge accounting, hedge is classified as:

- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

## Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

#### 4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that is appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

##### **Level 1**

Use of quoted market prices in an active market for such assets or liabilities

##### **Level 2**

Use of other observable inputs for such assets or liabilities, whether directly or indirectly

##### **Level 3**

Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## 5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain.

These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### Leases

#### Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant

facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over

a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment taking into consideration terms and conditions of the arrangement.

#### Lease classification - The Group as lessor

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant

risk and rewards of ownership of the leased asset has been transferred.

#### Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition

for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

#### Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from

observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **Property plant and equipment, investment property, right-of-use assets / Depreciation**

In determining depreciation of plant and equipment, investment property and right-of-use assets, the management is required to make estimates of the useful lives and residual values of the plant and equipment, investment property and right-of-use assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment, investment property and right-of-use assets for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and

losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Allowance for impairment of non-financial assets**

In determining allowance for impairment of non-financial assets, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not

include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to plant and equipment and right-of-use assets recognised by the Group. The key assumptions used to determine the recoverable amount, including a sensitivity analysis, are disclosed and further explained in Note 14 and 15.1.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various

assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

### **Litigation**

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and believes that

no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

## 6. Related party transactions

The relationships between the Company and the related companies are presented below.

List of related companies	Relationship
Bangkok Air Catering Co., Ltd.	Subsidiary
Bangkok Airways Ground Services Co., Ltd.	Subsidiary
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Subsidiary
Bangkok Airways Holding Co., Ltd.	Subsidiary
Bangkok Airport Management Co., Ltd.	Subsidiary
BAC Gourmet House Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Phuket Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Samui Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Chiang Mai Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Don Mueang Co., Ltd.	Subsidiary (held by a subsidiary)
SA Services Co., Ltd.	Subsidiary (held by a subsidiary)
BFS Cargo DMK Co., Ltd.	Subsidiary (held by a subsidiary)
Gourmet Primo Co., Ltd.	Subsidiary (held by a subsidiary)
More Than Free Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkokair Aviation Training Center Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok REIT Management Co., Ltd.	Subsidiary (held by a subsidiary)
WFS-PG Cargo Co., Ltd.	Associate
Samui Airport Property Fund (Leasehold)	Associate
U-tapao International Aviation Co., Ltd.	Associate
BA Airport Leasehold Real Estate Investment Trust	Associate
UTB Co., Ltd.	Associate
Aeronautical Radio of Thailand Ltd.	Common directors
Save Drug Center Co., Ltd.	Common directors
National Healthcare Systems Co., Ltd.	Common directors
BDMS Training Co., Ltd.	Common directors
Paolo Medic Co., Ltd.	Common directors

List of related companies	Relationship
Bangkok Pattaya Hospital Co., Ltd.	Common directors
Bangkok Phuket Hospital Co., Ltd.	Common directors
BDMS Wellness Clinic Co., Ltd.	Common directors
SRPP Ltd.	Common shareholders and/or directors
Bangkok Dusit Medical Services Plc.	Common shareholders and/or directors
Bangkok Helicopter Services Co., Ltd.	Common shareholders and/or directors
Thai Petroleum Service Corp., Ltd.	Common shareholders and/or directors
Paradise Shopping Co., Ltd.	Common shareholders and/or directors
Samui Accom Co., Ltd.	Common shareholders and/or directors
Sukhothai Property Co., Ltd.	Common shareholders and/or directors
Dhammachart Na Thai Co., Ltd.	Common shareholders and/or directors
Bangkok Travel Club Co., Ltd.	Common shareholders and/or directors
Bangkok Airtour (1988) Co., Ltd.	Common shareholders and/or directors
Samui Palm Beach Resort Co., Ltd.	Common shareholders and/or directors
Sabai Sabai Sukhothai Co., Ltd.	Common shareholders and/or directors
Bangkok Aviation Fuel Services Plc.	Common shareholders and/or directors
UTA land 1 Co., Ltd.	Common shareholders and/or directors
Natural Rice Co., Ltd.	Common shareholders
Bangkok Samui Hospital Co., Ltd.	The director's relative is a shareholder and director



During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of

business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2022	2021	2022	2021	
<b>Transactions with subsidiaries (eliminated from the consolidated financial statements)</b>					
• Permission fee income	-	-	16	9	Contract price
• Concession lounge service income	-	-	12	5	Contract price
• Rental income	-	-	11	8	Contract price
• Airport management service income	-	-	11	-	Contract price
• Other income	-	-	44	-	Contract price
• Catering service expenses	-	-	208	28	Contract price
• Ground service expenses	-	-	422	65	Contract price
<b>Transactions with associates</b>					
Rental income	7	1	188	1	Contract price
Dividend income	-	-	456	3,135	As declared
Service income	22	-	20	-	Contract price
Service expenses	17	4	-	4	Contract price
Finance cost	368	616	6	616	Contract price
<b>รายการธุรกิจกับกิจการที่เกี่ยวข้องกัน</b>					
Catering service income	144	123	-	-	Contract price
Dividend income	517	827	414	663	As declared
Aeronautical radio expenses	226	65	213	59	Agreed upon
Employee expenses	10	3	10	3	Agreed upon

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Trade and other receivables - related parties (Note 8)</b>				
• Subsidiaries (eliminated from the consolidated financial statements)	-	-	23,796	10,143
• Associates	16,460	56,370	4,508	55,526
• Related companies	15,678	14,862	1,135	938
<b>Total trade and other receivables - related parties</b>	<b>32,138</b>	<b>71,232</b>	<b>29,439</b>	<b>66,607</b>
<b>Deposits - related parties</b>				
• Associate	92,500	-	-	-
• Related companies	1,103	1,093	268	258
<b>Total deposits - related parties</b>	<b>93,603</b>	<b>1,093</b>	<b>268</b>	<b>258</b>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Trade and other payables - related parties (Note 19)</b>				
• Subsidiaries (eliminated from the consolidated financial statements)	-	-	212,760	38,148
• Associates	18,375	11,362	4,197	2,964
• Related companies	33,184	17,985	32,029	15,018
<b>Total trade and other payables - related parties</b>	<b>51,559</b>	<b>29,347</b>	<b>248,986</b>	<b>56,130</b>
<b>Deposits - related parties (presented as other current liabilities)</b>				
• Subsidiaries (eliminated from the consolidated financial statements)	-	-	3,154	2,849
• Related companies	2,369	2,231	2,369	2,231
<b>Total deposits - related parties</b>	<b>2,369</b>	<b>2,231</b>	<b>5,523</b>	<b>5,080</b>

**Long-term loans to and interest receivables from related parties**

The movements of such long-term loans to and interest receivables are as follows: (Unit: Thousand Baht)

Long-term loans to and interest receivable	Related by	Separate financial statements			
		Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Gourmet Primo Co., Ltd.	Subsidiary	109,579	4,364	-	113,943
Bangkok Air Catering Co., Ltd.	Subsidiary	100,986	106,963	-	207,949
<b>Total</b>		<b>210,565</b>	<b>111,327</b>	<b>-</b>	<b>321,892</b>

The above long-term loan carries interest at the rate of MLR-1 per annum and is due during from September to October 2026.

**Loan from related party**

The movements of such loan are as follows: (Unit: Thousand Baht)

Loan from	Related by	Separate financial statements			
		Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
U-tapao International Aviation Co., Ltd.	Associate	1,000,000	-	(1,000,000)	-
<b>Total</b>		<b>1,000,000</b>	<b>-</b>	<b>(1,000,000)</b>	<b>-</b>

The above non-collateral long-term loan carries interest at the rate of 1.25 percent.

### Deferred revenue from related party

Changes in the aforementioned unrecognised revenue account are as follows: (Unit: Thousand Baht)

Deferred revenue from	Relation-ship	Consolidated and separate financial statements			
		Balance as at 31 December 2021	Increase during the year	Recognise revenue during the year	Balance as at 31 December 2022
U-tapao International Aviation Company Limited	Associate	-	75,035	(6,821)	68,214
Less: Required revenue recognition within one year					(6,821)
Unearned revenue from related parties - net of the portion required to recognise revenue within one year					61,393

### Guarantee obligations with related parties

The Group had outstanding guarantee obligations with its related parties, as described in Note 35.4 to the consolidated financial statements.

### Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payment to its directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Short-term employee benefits	169	149	92	89
Post-employment benefits	12	9	9	7
<b>Total</b>	<b>181</b>	<b>158</b>	<b>101</b>	<b>96</b>

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	51,125	47,543	47,712	44,908
Bank deposits	3,540,567	2,078,392	2,762,957	1,413,646
<b>Total</b>	<b>3,591,692</b>	<b>2,125,935</b>	<b>2,810,669</b>	<b>1,458,554</b>

As at 31 December 2022, bank deposits in savings accounts and fixed deposits carried interests between 0.1% and 1.1% per annum (2021: between 0.1% and 1.1% per annum) (Separate financial statements: between 0.1% and 0.4% per annum) (2021: between 0.1% and 1.1% per annum) and Baht 0.6 million of cash is cash on hand of stations located abroad (2021: Baht 0.6 million).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Trade receivables - related parties</b>				
• Aged on the basis of due dates				
• Not yet due	30,877	14,892	24,576	5,676
• Past due				
- Up to 3 months	191	290	2,059	1,880
- 3 - 6 months	-	280	1,568	1,608
- 6 - 12 months	-	428	2,475	3,834
- Over 12 months	-	-	7,308	2,645
<b>Total</b>	<b>31,068</b>	<b>15,890</b>	<b>37,986</b>	<b>15,643</b>
Less: Allowance for expected credit losses	-	(184)	(8,547)	(4,562)
<b>Total trade receivables - related parties, net</b>	<b>31,068</b>	<b>15,706</b>	<b>29,439</b>	<b>11,081</b>
<b>Trade receivables - unrelated parties</b>				
• Aged on the basis of due dates				
• Not yet due	864,314	260,652	476,856	101,340
• Past due				
- Up to 3 months	258,803	32,726	191,083	6,203
- 3 - 6 months	24,950	995	24,430	344
- 6 - 12 months	15,447	2,568	11,713	916
- Over 12 months	72,917	73,425	33,236	32,492
<b>Total</b>	<b>1,236,431</b>	<b>370,366</b>	<b>737,318</b>	<b>141,295</b>
Less: Allowance for expected credit losses	(87,786)	(72,245)	(45,494)	(34,683)
<b>Total trade receivables - unrelated parties, net</b>	<b>1,148,645</b>	<b>298,121</b>	<b>691,824</b>	<b>106,612</b>
<b>Total trade receivables - net</b>	<b>1,179,713</b>	<b>313,827</b>	<b>721,263</b>	<b>117,693</b>

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Other receivables</b>				
• Other receivables - related parties	1,070	55,526	-	55,526
• Other receivables - unrelated parties	13,105	12,275	10,056	11,172
• Less: Allowance for expected credit losses	(9,070)	(9,070)	(9,070)	(9,070)
<b>Total other receivables - net</b>	<b>5,105</b>	<b>58,731</b>	<b>986</b>	<b>57,628</b>
<b>Total trade and other receivables - net</b>	<b>1,184,818</b>	<b>372,558</b>	<b>722,249</b>	<b>175,321</b>

The normal credit term is 10 to 90 days.

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
• Beginning balance	81,499	69,878	48,315	40,460
• Provision for expected credit losses	15,357	11,621	14,796	7,855
• Ending balance	96,856	81,499	63,111	48,315

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Spare parts	374,952	367,419	(39,137)	(39,145)	335,815	328,274
Duty free goods	1,653	3,289	(476)	(1,981)	1,177	1,308
Foods and kitchen utensils	57,818	42,807	-	-	57,818	42,807
Air tickets	2	28	-	-	2	28
Others	72,133	68,273	(2,315)	(2,205)	69,818	66,068
<b>Total</b>	<b>506,558</b>	<b>481,816</b>	<b>(41,928)</b>	<b>(43,331)</b>	<b>464,630</b>	<b>438,485</b>

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Spare parts	374,952	367,419	(39,137)	(39,145)	335,815	328,274
Foods and kitchen utensils	11,148	13,113	-	-	11,148	13,113
Air tickets	2	28	-	-	2	28
Others	9,651	8,659	-	-	9,651	8,659
<b>Total</b>	<b>395,753</b>	<b>389,219</b>	<b>(39,137)</b>	<b>(39,145)</b>	<b>356,616</b>	<b>350,074</b>

## 10. Other current financial assets / other non-current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Other current financial assets</b>				
• Financial assets at amortised cost				
- Fixed deposit	3,055,473	-	3,000,000	-
<b>Total other current financial assets</b>	<b>3,055,473</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>
<b>Other non-current financial assets</b>				
• Financial assets designated at FVOCI				
- Listed equity instruments	31,982,531	25,398,172	26,037,531	20,683,172
- Non-listed equity instruments	529,506	550,956	529,506	550,956
<b>Total equity instruments designated at FVOCI - net</b>	<b>32,512,037</b>	<b>25,949,128</b>	<b>26,567,037</b>	<b>21,234,128</b>
<b>Financial assets at amortised cost</b>				
• Restricted bank deposits	7,625	7,787	7,625	7,787
Derivative assets (designated as cashflow hedge instruments)				
- Interest rate swap	18,723	-	18,723	-
- Cross currency and interest rate swaps	17,567	8,108	17,567	8,108
<b>Total other non-current financial assets - net</b>	<b>32,555,952</b>	<b>25,965,023</b>	<b>26,610,952</b>	<b>21,250,023</b>

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Group considers these investments to be strategic in nature. The Group's investment policies focus on investments in attractive companies, that management has already determined will generate appropriate returns, the fair value of investments may be negatively affected by the local and global economic slowdown and financial recession. This downside may have a significant impact on the stock prices.

In addition, in 2022, the Group received dividends from equity instruments designated at FVOCI, which still existed at the reporting date, in the amount of Baht 517

million (2021: Baht 827 million) (Separate financial statements: Baht 414 million (2021: Baht 663 million)).

As at 31 December 2022, certain investments in listed equity instruments with market value amounting to Baht 21,126 million (2021: Baht 15,553 million) are used as collateral for short-term loans from financial institutions as described in Note 18 to the consolidated financial statements and long-term loans as described in Note 20 to the consolidated financial statements and as collateral for sub-lease agreement of a subsidiary as described in Note 21 to the consolidated financial statements.



## 11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in separate financial statements.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2022	2021	2022 (%)	2021 (%)	2022	2021	2022	2021
	Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	670,000	670,000	98.88	98.88	739,924	739,924	798,593
Bangkok Airways Holding Co., Ltd.	1,001,000	1,001,000	99.99	99.99	1,000,999	1,000,999	4,871,659	3,943,936
Bangkok Airways Ground Services Co., Ltd.	250	250	99.99	99.99	250	250	2,537	-
<b>Total</b>					1,741,173	1,741,173	5,672,789	4,734,472

The Company presents the negative investment value based on equity method as “Provision for transaction under equity method of investments in subsidiaries” is detailed as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2022	2021	2022 (%)	2021 (%)	2022	2021	2022	2021
	Bangkok Air Catering Co., Ltd.	500,000	500,000	90.00	90.00	579,469	579,469	571,232
Bangkok Airport Management Co., Ltd.	250,100	-	99.99	-	250,099	-	44,751	-
Bangkok Airways Ground Services Co., Ltd.	250	250	99.99	99.99	250	250	-	3,754
<b>Total</b>					829,818	579,719	615,983	409,684

### 11.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in subsidiaries in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Share of profit (loss) from investments in subsidiaries		Share of other comprehensive income from investments in subsidiaries		Dividend received during the year	
	2022	2021	2022	2021	2022	2021
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	299,778	208,879	6,404	2,191	298,125	99,373
Bangkok Airways Holding Co., Ltd.	(56,276)	(34,132)	983,999	377,200	-	-
Bangkok Airways Ground Services Co., Ltd.	6,291	(10,191)	-	-	-	1,000
Bangkok Air Catering Co., Ltd.	(171,684)	(458,537)	6,382	3,705	-	-
Bangkok Airport Management Co., Ltd.	(294,850)	-	-	-	-	-
<b>Total</b>	<b>(216,741)</b>	<b>(293,981)</b>	<b>996,785</b>	<b>383,096</b>	<b>298,125</b>	<b>100,373</b>

### 11.3 Significant changes in investments in subsidiaries

#### **Bangkok REIT Management Co., Ltd.**

On 24 March 2022, a meeting of the Board of Directors of the Company approved to set up Bangkok REIT Management Co., Ltd., a new subsidiary, which is a company engaged in the REIT manager, with the registered share capital of Baht 15 million. Bangkok Airways

Holding Co., Ltd., the Company's subsidiary, will hold a 99.99 percent shareholding in this company. In this regard, Bangkok REIT Management Co., Ltd. already received such share subscription and registered the incorporation with the Ministry of Commerce on 24 March 2022.

#### **Gourmet Primo Co., Ltd.**

On 8 June 2022, a meeting of the Board of Directors of Gourmet Primo Co., Ltd. (the subsidiary of Bangkok Airways Holding Co., Ltd.) approved to call up the remaining 25 percent of issued share capital or Baht 2.5 per share from shareholders. This constitutes a total called up capital of Baht 8.75 million. Gourmet Primo Co., Ltd. already received such payment on 24 June 2022.

On 15 June 2022, the Extraordinary General Meeting of shareholders of Gourmet Primo Co., Ltd. (the subsidiary of Bangkok Airways Holding Co., Ltd.)

approved the increase of the registered share capital from Baht 135 million (13,500,000 ordinary shares of Baht 10 each) to Baht 160 million (16,000,000 ordinary shares of Baht 10 each), through the issuance of 2,500,000 additional ordinary shares with a par value of Baht 10 each, for offering to its existing shareholders. Gourmet Primo Co., Ltd. already received such payment and registered the increase of its share capital with the Ministry of Commerce on 24 June 2022.

#### **Bangkok Airport Management Co., Ltd.**

Management Co., Ltd., a new subsidiary, which is a company engaging in the development and management of public airport, in accordance with the resolution of the Company's Board of Directors meeting on 25 November 2021, The Company has held a 99.99% shareholding in this company with a registered share capital of Baht 100 million (10,000,000 ordinary shares of Baht 10 each). Bangkok Airport Management Co., Ltd. already received such payment for the share subscription and registered the incorporation with the Ministry of Commerce on 2 August 2022.

On 21 September 2022, the directors of Bangkok Airport Management Co., Ltd. (a subsidiary of Bangkok Airways Public Co., Ltd.) approved the increase of the registered share capital from Baht 100 million (10,000,000 ordinary shares of Baht 10 each) to Baht 200 million (20,000,000 ordinary shares of Baht 10 each), through the issuance of 10,000,000 additional ordinary shares with a par value of Baht 10 each, for offering to its existing shareholders. Bangkok Airport Management Co., Ltd.

already received such payment for the share subscription and registered the increase of its share capital with the Ministry of Commerce on 27 September 2022.

On 6 December 2022, the directors of Bangkok Airport Management Co., Ltd. (a subsidiary of Bangkok Airways Public Co., Ltd.) approved the increase of the registered share capital from Baht 200 million (20,000,000 ordinary shares of Baht 10 each) to Baht 350 million (35,000,000 ordinary shares of Baht 10 each), through the issuance of 15,000,000 additional ordinary shares with a par value of Baht 10 each, for offering to its existing shareholders. Bangkok Airport Management Co., Ltd. called up 33.4 percent of issued share capital or Baht 3.34 per share from shareholders. This constitutes a total called up capital of Baht 50.10 million. Bangkok Airport Management Co., Ltd. already received such payment and registered the increase of its share capital with the Ministry of Commerce on 13 December 2022.

## 12. Investments in associates

### 12.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2022	2021	2022	2021	2022	2021
WFS - PG Cargo Co., Ltd.	Cargo	Thailand	49.00	49.00	147,000	147,000	217,662	199,251
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	30.03	30.03	82,405	82,405	82,405	82,405
U-tapao International Aviation Co., Ltd.	Airport Operations	Thailand	45.00	45.00	2,025,000	2,025,000	1,889,255	1,944,595
BA Airport Leasehold Real Estate Investment Trust	Property Fund	Thailand	25.00	-	2,582,500	-	2,652,815	-
UTB Co., Ltd.	Airport City Development	Thailand	25.00	-	2,500	-	2,476	-
<b>Total</b>					<b>4,839,405</b>	<b>2,254,405</b>	<b>4,844,613</b>	<b>2,226,251</b>

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on equity method	
			2565	2564	2565	2564	2565	2564		
WFS - PG Cargo Co., Ltd.	Cargo	Thailand	49.00	49.00	147,000	147,000	-	-	147,000	147,000
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	30.03	30.03	792,665	792,665	(710,260)	(710,260)	82,405	82,405
U-tapao International Aviation Co., Ltd.	Airport Operations	Thailand	45.00	45.00	2,025,000	2,025,000	-	-	2,025,000	2,025,000
BA Airport Leasehold Real Estate Investment Trust	Property Fund	Thailand	25.00	-	2,582,500	-	-	-	2,582,500	-
UTB Co., Ltd.	Airport City Development	Thailand	25.00	-	2,500	-	-	-	2,500	-
<b>Total</b>					<b>5,549,665</b>	<b>2,964,665</b>	<b>(710,260)</b>	<b>(710,260)</b>	<b>4,839,405</b>	<b>2,254,405</b>

## 12.2 Share of profit (loss) and dividend income

During the years, the Company has recognised its share of profit (loss) from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Share of profit (loss) from investments in associates		Dividend received	
	2022	2021	2022	2021
WFS - PG Cargo Co., Ltd.	474,111	453,117	455,700	455,700
Samui Airport Property Fund (Leasehold)	-	73,315	-	79,881
U-tapao International Aviation Co., Ltd.	(55,339)	(73,276)	-	-
BA Airport Leasehold Real Estate Investment Trust	70,315	-	-	-
UTB Co., Ltd.	(24)	-	-	-
<b>Total</b>	<b>489,063</b>	<b>453,156</b>	<b>455,700</b>	<b>535,581</b>
Samui Airport Property Fund (Leasehold) (relating to lease agreement termination)	-	2,056,227	-	2,599,674
<b>Total lease agreement termination of the Fund</b>	<b>-</b>	<b>2,056,227</b>	<b>-</b>	<b>2,599,674</b>

## 12.3 Fair value of investments in an associate

In respect of investments in associated companies that are listed companies on the Stock Exchange of Thailand, their fair values are as follows:

(Unit: Million Baht)

Company's name	Fair value as at 31 December	
	2022	2021
BA Airport Leasehold Real Estate Investment Trust	2,686	-

## 12.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	WFS - PG Cargo Co., Ltd.		Samui Airport Property Fund (Leasehold)		U-tapao International Aviation Co., Ltd.		BA Airport Leasehold Real Estate Investment Trust		UTB Co., Ltd.	
	2022	2021	2022*	2021	2022	2021	2022	2021	2022	2021
Current assets	520	558	274	274	2,407	3,560	371	-	10	-
Non-current assets	663	760	-	-	2,271	1,252	14,468	-	-	-
Current liabilities	(349)	(557)	-	-	(474)	(482)	(81)	-	-	-
Non-current liabilities	(379)	(345)	-	-	(5)	(8)	(4,317)	-	-	-
<b>Net assets</b>	<b>455</b>	<b>416</b>	<b>274</b>	<b>274</b>	<b>4,199</b>	<b>4,322</b>	<b>10,441</b>	<b>-</b>	<b>10</b>	<b>-</b>
Shareholding percentage (%)	49.00	49.00	30.03	30.03	45.00	45.00	25.00	-	25.00	-
<b>Share of net assets</b>	<b>223</b>	<b>204</b>	<b>82</b>	<b>82</b>	<b>1,889</b>	<b>1,945</b>	<b>2,610</b>	<b>-</b>	<b>3</b>	<b>-</b>
Elimination entries and other adjustments	(5)	(5)	-	-	-	-	-	-	-	-
<b>Carrying amounts of associates based on equity method</b>	<b>218</b>	<b>199</b>	<b>82</b>	<b>82</b>	<b>1,889</b>	<b>1,945</b>	<b>2,610</b>	<b>-</b>	<b>3</b>	<b>-</b>

Summarised information about comprehensive income

(Unit: Million Baht)

	WFS - PG Cargo Co., Ltd.		Samui Airport Property Fund (Leasehold)		U-tapao International Aviation Co., Ltd.		BA Airport Leasehold Real Estate Investment Trust		UTB Co., Ltd.	
	2022	2021	2022*	2021	2022	2021	2022	2021	2022	2021
Revenue	2,222	2,142	-	326	16	27	378	-	-	-
Profit (loss)	968	928	-	7,004	(123)	(163)	281	-	-	-
Total comprehensive income	968	928	-	7,004	(123)	(163)	281	-	-	-

\* Management's accounts



## 12.5 Significant changes in investments in associates

### BA Airport Leasehold Real Estate Investment Trust

On 24 March 2022, the Company's Board of Directors Meeting approved to establish BA Airport Leasehold Real Estate Investment Trust (the "Trust") for the purpose of raising funds to use as working capital for business expansion and repay some long-term loans.

On 5 August 2022, the Company's Board of Directors Meeting approved the investment in the Trust. Subsequently, on 5 September 2022, the Trust was established and initially offered trust units to public in order to raise funds for an initial investment in the leasehold rights over the land, structures, and components of certain parts of properties used in the operations Samui Airport. The Trust is managed by Bangkok REIT Management Company Limited as the founder and trust manager and by Kasikorn Asset Management Company Limited as the trustee. The Company invested in the Trust at 25% of the registered trust units, totaling Baht 2,583 million. The Company is required to maintain unitholding portion in accordance with the conditions stipulated in

the agreement with the Trust. The conditions of unitholding portion is summarised below:

- In the first three years, the Company hold at least 25% of the number of units of the Trust issued in the initial public offering.
- From the fourth to the tenth years, the Company hold at least 20% of the number of units of the Trust issued in the initial public offering.
- From the eleventh to the fifteenth years, the Company hold at least 15% of the number of units of the Trust issued in the initial public offering.

On 23 February 2023, the meeting of Bangkok REIT Management Company Limited's Board of the Directors No. 1/2023 passed a resolution to approve the Trust to pay a distribution of Baht 0.2451 per unit to the unitholders from the operating results of the period from 5 September 2022 (the date of establishment) to 31 December 2022.

### UTB Co., Ltd.

On 5 August 2022, a meeting of the Board of Directors approved the investment in UTB Co., Ltd., a newly established company for purpose of operating business of Airport City in U-Tapao Airport and Eastern Airport City

Development Project. In this regard, the Company paid for share subscription according portion held by the Company of 25%, totaling of Baht 2.5 million on 13 September 2022.

### Samui Airport Leasehold Property Fund

On 17 February 2023, the Company received a letter informing the progress of tax issue from the liquidator of Samui Airport Leasehold Property Fund ("the Fund"). The Company was entitled to receive dividend from tax

refund of the Fund at the rate of Baht 0.1382 per unit or Baht 39.4 million. The Fund will pay the dividends on 17 March 2023.

### 13. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statement			
	Land for rent	Building and shop for rent	Right-of-lease assets for rent	Total
As at 31 December 2022:				
Cost	151,764	479,444	6,312	637,520
Less: Accumulated depreciation	-	(220,782)	(3,174)	(223,956)
<b>Net book value</b>	<b>151,764</b>	<b>258,662</b>	<b>3,138</b>	<b>413,564</b>
As at 31 December 2021:				
Cost	151,764	404,409	6,312	562,485
Less: Accumulated depreciation	-	(196,810)	(1,800)	(198,610)
<b>Net book value</b>	<b>151,764</b>	<b>207,599</b>	<b>4,512</b>	<b>363,875</b>

(Unit: Thousand Baht)

	Separate financial statement				
	Land for rent	Building and shop for rent	Airport and improvements	Right-of-use assets for rent	Total
As at 31 December 2022:					
Cost	427,485	1,006,647	268,120	14,291	1,716,543
Less: Accumulated depreciation	-	(611,939)	(189,758)	(4,066)	(805,763)
<b>Net book value</b>	<b>427,485</b>	<b>394,708</b>	<b>78,362</b>	<b>10,225</b>	<b>910,780</b>
As at 31 December 2021:					
Cost	364,141	500,293	-	14,291	878,725
Less: Accumulated depreciation	-	(268,013)	-	(2,395)	(270,408)
<b>Net book value</b>	<b>364,141</b>	<b>232,280</b>	<b>-</b>	<b>11,896</b>	<b>608,317</b>

A reconciliation of the net book value of investment properties for the years 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	363,875	238,345	608,317	487,879
Additions	75,035	-	75,035	-
Transfers - net book value	-	145,750	259,402	145,750
Depreciation charged for the year	(25,346)	(20,220)	(31,974)	(25,312)
Net book value at end of year	413,564	363,875	910,780	608,317

The additional information of the investment properties as at 31 December 2022 and 2021 is stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Fair value	692,903	615,070	3,898,888	992,052

The fair values of the land, building and shops for rent were determined based on valuations performed by an accredited independent valuer on the basis of income approach, market prices and depreciated replacement cost method. For certain land, the valuation prices were from The Treasury Department.

As at 31 December 2021, the Company has pledged investment properties with net book value approximately Baht 44 million as collateral for long-term loans from financial institutions as discussed in Note 20 to the consolidated financial statements (2022: Nil).

During 2021, the Company transferred lands for rent at net book value of Baht 146 million to investment property as a result of the land and building lease agreements with an associate. Such agreements determine that the lessee can repair and improve the buildings from

the lessee's own expenses. When the repair and improvement of the building is completed, ownership of the building will be transferred to the lessor on the transferred date, and those repair and improvement expenditure will be treated as rental payment to the lessor for compensation of such land and building leases. Subsequently, on 1 January 2022, the Company receives the building from the associate at the fair value of Baht 75 million.

In 2022, the Company transferred land, building and equipment related to long-term lease agreements with the Trust to investment properties with net book value of Baht 259 million in the separate financial statements as discussed in Note 14 to the consolidated financial statements.

## 14. Property, plant and equipment

Movements of property, plant and equipment as at 31 December 2022 and 2021 are summarised as the following.

(Unit: Thousand Baht)

	Consolidated financial statements								Total	
	Land	Building and improvements	Airport and improvements	Aircrafts	Aircraft parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress		
<b>Cost:</b>										
1 January 2021	2,855,414	2,725,939	1,166,554	5,125,854	3,766,467	1,662,971	655,352	218,737	18,177,288	
Purchase	-	7,893	-	-	58,336	12,866	-	1,395	80,490	
Disposal	-	(15,128)	-	-	(29,989)	(43,448)	(21,303)	-	(109,868)	
Transfer	(141,238)	-	-	-	-	-	-	-	(141,238)	
Transfer in (out)	-	14,864	58,321	-	-	2,470	-	(75,655)	-	
31 December 2021	2,714,176	2,733,568	1,224,875	5,125,854	3,794,814	1,634,859	634,049	144,477	18,006,672	
Purchase	-	5,102	-	-	119,537	22,673	657	69,111	217,080	
Disposal	-	(4,105)	-	(718,615)	(16,838)	(14,088)	(21,592)	(586)	(775,824)	
Transfer in (out)	-	9,514	4,201	-	-	4,771	-	(18,486)	-	
31 December 2022	2,714,176	2,744,079	1,229,076	4,407,239	3,897,513	1,648,215	613,114	194,516	17,447,928	
<b>Accumulated depreciation:</b>										
1 January 2021	-	1,433,085	791,362	1,512,450	2,682,225	1,293,832	539,017	-	8,251,971	
Depreciation for the year	-	145,913	41,226	240,949	268,090	109,330	47,329	-	852,837	
Depreciation - disposal	-	(7,495)	-	-	(27,518)	(41,951)	(21,302)	-	(98,266)	

	Consolidated financial statements								Total
	Land	Building and improve-ments	Airport and improve-ments	Aircrafts	Aircraft parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construc-tion in progress	
Depreciation for the year	-	131,932	39,323	233,625	220,838	90,077	32,921	-	748,716
Depreciation - disposal	-	(3,515)	-	(597,832)	(15,589)	(12,827)	(18,923)	-	(648,686)
31 December 2022	-	1,699,920	871,911	1,389,192	3,128,046	1,438,461	579,042	-	9,106,572
Allowance for impairment loss:									
1 January 2021	-	-	-	148,471	-	-	-	-	148,471
Increase during the year	-	70,539	-	-	-	2,350	-	-	72,889
Decrease during the year	-	-	-	(19,219)	-	-	-	-	(19,219)
Reverse allowance for impairment	-	-	-	(129,252)	-	-	-	-	(129,252)
31 December 2021	-	70,539	-	-	-	2,350	-	-	72,889
Increase during the year	-	2,566	-	-	-	1,491	-	-	4,057
Decrease during the year	-	(4,807)	-	-	-	(536)	-	-	(5,343)
31 December 2022	-	68,298	-	-	-	3,305	-	-	71,603
Net book value									
31 December 2021	2,714,176	1,091,526	392,287	3,372,455	872,017	271,298	69,005	144,477	8,927,241
31 December 2022	2,714,176	975,861	357,165	3,018,047	769,467	206,449	34,072	194,516	8,269,753
Depreciation for the years									
2021 (Baht 761 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)									852,837
2022 (Baht 654 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)									748,716

(Unit: Thousand Baht)

	Separate financial statements										Total	
	Land	Building and improvements	Airport and improvements	Aircrafts	Aircraft parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress				
<b>Cost:</b>												
1 January 2021	2,643,038	1,507,790	1,166,554	5,027,621	2,261,979	923,213	272,581	215,053			14,017,829	
Purchase	-	-	-	-	38,744	3,230	-	1,315			43,289	
Disposal	-	(13,578)	-	-	-	(33,658)	(18,792)	-			(66,028)	
Transfer	(141,238)	-	-	-	-	-	-	-			(141,238)	
Transfer in (out)	-	14,864	58,321	-	-	2,425	-	(75,610)			-	
31 December 2021	2,501,800	1,509,076	1,224,875	5,027,621	2,300,723	895,210	253,789	140,758			13,853,852	
Purchase	-	-	-	-	86,209	13,424	657	53,574			153,864	
Disposal	-	(2,737)	-	(718,615)	-	(2,936)	(13,714)	-			(738,002)	
Transfer	(63,344)	(431,319)	(268,120)	-	-	-	-	-			(762,783)	
Transfer in (out)	-	9,434	4,201	-	-	4,771	-	(18,406)			-	
31 December 2022	2,438,456	1,084,454	960,956	4,309,006	2,386,932	910,469	240,732	175,926			12,506,931	
<b>Accumulated depreciation:</b>												
1 January 2021	-	1,061,593	791,362	1,511,526	1,684,798	796,794	253,349	-			6,099,422	
Depreciation for the year	-	68,697	41,226	236,038	189,035	51,750	9,741	-			596,487	
Depreciation - disposal	-	(5,944)	-	-	-	(33,654)	(18,792)	-			(58,390)	
31 December 2021	-	1,124,346	832,588	1,747,564	1,873,833	814,890	244,298	-			6,637,519	

Depreciation for the year	Separate financial statements									Total
	Land	Building and improvements	Airport and improvements	Aircrafts	Aircraft parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress		
Depreciation - transfer	-	(2,557)	-	(597,832)	-	(2,882)	(13,714)	-		(616,985)
31 December 2022	-	(314,334)	(189,047)	-	-	-	-	-		(503,381)
Allowance for impairment loss:	-	865,419	682,153	1,378,445	2,032,636	854,320	238,135	-		6,051,108
Allowance for impairment loss										
Decrease during the year	-	-	-	148,471	-	-	-	-		148,471
Reverse allowance for impairment	-	-	-	(19,219)	-	-	-	-		(19,219)
31 December 2022	-	-	-	(129,252)	-	-	-	-		(129,252)
Net book value	-	-	-	-	-	-	-	-		-
	-	-	-	-	-	-	-	-		-
Net book value										
31 December 2021	2,501,800	384,730	392,287	3,280,057	426,890	80,320	9,491	140,758		7,216,333
31 December 2022	2,438,456	219,035	278,803	2,930,561	354,296	56,149	2,597	175,926		6,455,823
Depreciation for the years										
2021 (Baht 535 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)										596,487
2022 (Baht 475 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)										533,955

As at 31 December 2022, the Group had certain property and equipment which had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 4,399 million (2021: Baht 3,877 million (Separate financial statements: Baht 3,247 million (2021: Baht 2,995 million))).

In 2022, the Company entered into long-term lease agreement with the Trust for the land, structures, and components of certain parts of properties used in the operations of Samui Airport (net book value of Baht 259 million). Then the subsidiary entered into sublease agreement for the properties with the Trust as discussed in Note 21 to the consolidated financial statements.

As at 31 December 2022, the Group mortgaged its land and buildings, including Samui Airport and its facilities, with net book value of Baht 556 million and registered business collateral for 3 ATR aircrafts as collateral against long-term loans from financial institutions as discussed in Note 20 to the consolidated financial statements (2021: Land and buildings, including

Samui Airport and its facilities with net book value of Baht 1,794 million and registered business collateral for 4 ATR aircrafts).

The Group assessed impairment of property, plant, and equipment, including relating right-of-use assets as described in Note 15.1 to the consolidated financial statements by comparing net book value and recoverable amount of such cash generating units. Such recoverable amount is the greater of an asset's fair value less costs to sell, or its value in use. The recoverable amount is asset's fair value calculated by an independent appraiser using the market approach. The fair value reflects actual sales price between buyers and sellers, under the current market condition or depreciated replacement cost that was calculated from estimated reconstruction cost of property at valuation date less incurring depreciation by consideration of the condition's components, physical appearance at present, and economic depreciation, less costs to sell assess by the Group's management.

Key assumption in calculation of fair value of assets by the independent valuer is presented below:

(Unit: Million Baht)

	Consolidated and Separate financial statements		Effect on fair value when the rate of assumption increases
	2022	2021	
Unit price	176 - 729	138 - 615	Increase in fair value
Monthly lease rate per aircraft	3 - 4	2 - 4	Increase in fair value



## 15. Lease agreements

### 15.1 The Group as a lessee

The Group has lease contracts for various items of lands, office buildings, aircrafts, vehicles and equipment used in their operations. Leases generally determine monthly rental payment, and have lease terms between 2 - 12 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Aircrafts	Aircraft parts and ground equipment	Furnitures and fixtures	Motor vehicles	Total
1 January 2021	81,626	591,922	6,952,573	41,360	13,561	81,479	7,762,521
Additions	8,647	472	-	-	404	2,023	11,546
Decrease from terminated lease contracts - net book value at termination date	-	(6,049)	(11,214)	-	(565)	(1,743)	(19,571)
Increase (decrease) from lease contract amendment	-	(60,536)	(7,980)	142	-	-	(68,374)
Transfers - net book value	(4,512)	-	-	-	-	-	(4,512)
Depreciation for the year	(8,982)	(105,241)	(1,547,374)	(18,246)	(7,970)	(31,812)	(1,719,625)
Decrease of allowance for impairment during the year	-	-	331,945	-	-	-	331,945
Reversal of allowance for impairment during the year	-	-	672,472	-	-	-	672,472
31 December 2021	76,779	420,568	6,390,422	23,256	5,430	49,947	6,966,402
Additions	46,783	28,040	-	-	1,853	9,693	86,369
Decrease from lease contract amendment	-	-	(67,762)	(814)	-	-	(68,576)
Depreciation for the year	(10,181)	(98,450)	(1,406,087)	(17,575)	(5,314)	(27,347)	(1,564,954)
31 December 2022	113,381	350,158	4,916,573	4,867	1,969	32,293	5,419,241

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Aircrafts	Aircraft parts and ground equipment	Furnitures and fixtures	Motor vehicles	Total
1 January 2021	73,945	45,440	6,952,573	41,360	12,307	73,677	7,199,302
Additions	8,647	471	-	-	-	1,060	10,178
Decrease from terminated lease contracts - net book value at termination date	-	(87)	(11,214)	-	-	(53)	(11,354)
Increase (decrease) from lease contract amendment	-	-	(7,980)	142	-	-	(7,838)
Transfers - net book value	(4,512)	-	-	-	-	-	(4,512)
Depreciation for the year	(8,685)	(11,809)	(1,547,375)	(18,246)	(7,339)	(29,253)	(1,622,707)
Decrease of allowance for impairment during the year	-	-	331,945	-	-	-	331,945
Reversal of allowance for impairment	-	-	672,472	-	-	-	672,472
31 December 2021	69,395	34,015	6,390,421	23,256	4,968	45,431	6,567,486
Additions	46,783	4,238	-	-	-	4,183	55,204
Decrease from lease contract amendment	-	-	(67,762)	(814)	-	-	(68,576)
Depreciation for the year	(9,884)	(9,883)	(1,406,087)	(17,575)	(4,968)	(24,669)	(1,473,066)
31 December 2022	106,294	28,370	4,916,572	4,867	-	24,945	5,081,048

The movements of right-of-use assets exclude the right-of-use assets which are classified as investment properties which is presented in Note 13 to the consolidated financial statements.

As at 31 December 2022 and 2021, 9 aircrafts of the Company are under conditional sale agreements. The Company treats these conditional sale agreements as leases and treats the seller per the agreements as the lessor of the aircraft. The lessor of the aircraft has sub-leased them from the owners.

The Aircraft Lease Agreement of 9 aircrafts specifies the conditions and the right of the lessor to buy the aircraft from the owners. However, if the lessors do not comply with the Aircraft Lease Agreement of such 9 aircrafts, the owner has the right to take back the aircrafts, and in that event the Company would not be able to utilise or take ownership of the aircrafts, even if the Company has made the agreed payments to the lessor. Under the Aircraft Lease Agreement, the Company will take ownership of the aircraft when it pays the last

installment to the lessor and the owner of the aircraft transfers ownership to the lessor.

The Group assessed impairment of right-of-use assets by comparing book value and recoverable amount of such cash generating units. Such recoverable amount is the greater of an asset's fair value less costs to sell, or its value in use. The Group's recoverable amount is determined by the asset's fair value calculated by an independent appraiser using the market approach. The fair value reflects actual rent price between buyers and sellers, under the current market condition which is assumed that both lessor and lessee are knowledgeable, willing to exchange and acting at "arm's length", discounted by interest rate reflecting lessee's credit risk and less costs to sell assessed by the Company's management. The description in relation to the impairment assessment of right-of-use asset is described in Note 14 to the consolidated financial statements.

## b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Lease payments	3,972,023	5,702,661	3,525,648	5,182,666
Less: Deferred interest expenses	(250,365)	(344,510)	(220,215)	(300,026)
Total	3,721,658	5,358,151	3,305,433	4,882,640
Less: Portion due within one year	(3,191,684)	(3,229,532)	(3,081,801)	(3,139,891)
Lease liabilities - net of current portion	529,974	2,128,619	223,632	1,742,749

Movement of lease liabilities for the year ended 31 December 2022 and 2021 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Balance at beginning of year	5,358,151	6,599,864	4,882,640	5,982,917
Additions	86,369	11,546	55,204	10,178
Accretion of interest	145,681	163,970	129,018	143,172
Repayments	(1,789,212)	(1,896,773)	(1,682,098)	(1,786,765)
Decrease from terminated lease contracts	-	(20,030)	-	(12,022)
Decrease from amended lease contracts	(68,576)	(53,424)	(68,576)	(7,838)
Unrealised loss (gain) on exchange	(10,755)	552,998	(10,755)	552,998
Balance at end of year	3,721,658	5,358,151	3,305,433	4,882,640

The Company entered into interest rate swap agreements and cross currency and interest rate swap agreements to hedge interest rate risk and exchange rate risk for liabilities under aircraft lease agreements as described in Note 38.1 to the consolidated financial statements.

Under the aircraft lease agreement the Company has to comply certain conditions such as maintaining financial ratio. As at 31 December 2022, the Company

was unable to maintain financial ratio as prescribed in the aircraft lease agreements, as a result, the Company classified lease liabilities under aircraft lease agreements of Baht 2,003 million (2021: Baht 2,364 million) as current portion of lease liabilities presented under current liabilities in the statement of financial position.

As at 31 December 2022 and 2021, the Group's present value of future minimum lease payments by payment period is as the follows:

(Unit: Thousand Baht)

	Consolidated financial statement 2022			
	Less than 1 year	1 - 5 year	Over 5 years	Total
Future minimum lease payments	3,391,389	496,039	84,595	3,972,023
Deferred interest expenses	(199,705)	(29,247)	(21,413)	(250,365)
Present value of future minimum lease payments	3,191,684	466,792	63,182	3,721,658

(Unit: Thousand Baht)

	Consolidated financial statement 2021			
	Less than 1 year	1 - 5 year	Over 5 years	Total
Future minimum lease payments	3,479,862	2,168,747	54,052	5,702,661
Deferred interest expenses	(250,330)	(82,012)	(12,168)	(344,510)
Present value of future minimum lease payments	3,229,532	2,086,735	41,884	5,358,151

(Unit: Thousand Baht)

	Separate financial statement 2022			
	Less than 1 year	1 - 5 year	Over 5 years	Total
Future minimum lease payments	3,267,538	173,516	84,594	3,525,648
Deferred interest expenses	(185,737)	(13,066)	(21,412)	(220,215)
Present value of future minimum lease payments	3,081,801	160,450	63,182	3,305,433

(Unit: Thousand Baht)

	Separate financial statement 2021			
	Less than 1 year	1 - 5 year	Over 5 years	Total
Future minimum lease payments	3,374,148	1,754,466	54,052	5,182,666
Deferred interest expenses	(234,257)	(53,601)	(12,168)	(300,026)
Present value of future minimum lease payments	3,139,891	1,700,865	41,884	4,882,640

However, the Company's management believe that failure to maintain financial ratio according to financial covenant in finance lease of aircraft agreement was

resulted from COVID-19 situation. The classification of lease liabilities under normal circumstance can be presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Current portion of lease liabilities	1,188,438	865,753	1,078,554	776,112
Lease liabilities, net of current portion	2,533,220	4,492,398	2,226,879	4,106,528

Analysis of the maturity profile of lease payment disclosed in Note 38.2 to the consolidated financial statements under Liquidity risk section.

#### c) Expenses relating to leases that were recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	1,564,954	1,387,680	1,473,066	1,290,762
Interest expense on lease liabilities	145,681	163,970	129,018	143,172
Expense relating to short-term leases and low-value assets	161,206	86,894	142,529	73,094
Reversal on impairment of right-of-use	-	(672,472)	-	(672,472)

#### d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 1,950 million (2021: Baht 1,987 million) (Separate financial statements: Baht 1,825 million (2021: Baht 1,860 million)), including the cash outflow related to short-term lease and leases of low-value assets.

### 15.2 Group as a lessor

The Group leases out the investment properties portfolio consisting of land, buildings and improvements as operating leases as discussed in Note 13 to the consolidated financial statements, of the lease terms are between 3 and 25 years.

The Group had future minimum rentals receivable under non-cancellable operating leases as at 31 December 2022 and 2021 as follows:

(Unit: Million Baht)

	Consolidated and Separate financial statements	
	2022	2021
Within 1 year	15	17
Over 1 and up to 5 years	25	41
<b>Total</b>	<b>40</b>	<b>58</b>

During 2022, the Group had sub-lease income amounting to Baht 17 million (2021: Baht 29 million) (Separate financial statements: Baht 17 million (2021: Baht 29 million)).

## 16. Intangible assets

Two subsidiary companies have signed contracts with Airports of Thailand Public Company Limited (“AOT”) (which has sole right to operate Suvarnabhumi Airport), in order to engage in various projects at the Airport for 20 years from the day it opened officially (from

28 September 2006 to 27 September 2026). The subsidiaries have to pay annual benefits to AOT, in amounts not less than the minimum compensation rates set for each year, throughout the period of the right to operate the business.

Company	Project	Period
Bangkok Air Catering Co., Ltd.	Catering	20 years
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground service equipment and maintenance facilities	20 years

The subsidiaries recognised rights in buildings and other components of each project which were transferred to the Ministry of Finance as operating right.

The net book values of intangible assets as at 31 December 2022 and 2021 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements	
	Right to operate the business	Computer software	Total	Computer software	Total
As at 31 December 2022:					
Cost	938,196	511,566	1,449,762	474,249	474,249
Less: Accumulated amortisation	(758,417)	(400,752)	(1,159,169)	(369,641)	(369,641)
Net book value	179,779	110,814	290,593	104,608	104,608
As at 31 December 2021:					
Cost	938,196	589,797	1,527,993	552,556	552,556
Less: Accumulated amortisation	(710,658)	(434,838)	(1,145,496)	(406,025)	(406,025)
Net book value	227,538	154,959	382,497	146,531	146,531

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net book value at beginning of year	382,497	482,761	146,531	196,940
Acquisition of computer software	5,144	496	5,074	99
Amortisation	(97,048)	(100,760)	(46,997)	(50,508)
Net book value at end of year	290,593	382,497	104,608	146,531



## 17. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Withholding tax	1,166,461	467,727	1,148,737	430,811
Others	39,091	16,510	2,288	2,287
<b>Total</b>	<b>1,205,552</b>	<b>484,237</b>	<b>1,151,025</b>	<b>433,098</b>

The withholding tax is in refunding process of the Revenue Department. However, the refundable amounts are depended on the result of the tax assessment.

## 18. Bank overdraft and short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)		Consolidated financial statements		Separate financial statements	
	2565	2564	2565	2564	2565	2564
Bank overdraft	MOR	-	72,599	-	-	-
Short-term loans from financial institutions	3.40 - 4.35, MMR, MLR IIa: MLR-1.5	3.0, 4.0, 5.0 MMR, MRR MLR IIa: MLR-1.5	695,307	917,000	460,000	720,000
<b>Total</b>			<b>767,906</b>	<b>917,000</b>	<b>460,000</b>	<b>720,000</b>

On 27 May 2021, the Board of Directors' Meeting No. 3/2021 passed a resolution for entering into a debt settlement agreement (promissory note) ("Debt settlement agreement") with a local bank with the credit facilities of Baht 1,120 million for the purpose of working capital of the Company.

As at 31 December 2022, such short-term loans of the Company were secured by pledging investments in equity instruments of listed company with a fair value

of Baht 2,109 million (2021: Baht 1,866 million). Subsidiaries have short-term loans from financial institutions which are secured by guarantees provided by other subsidiaries as described in Note 35.4 to the consolidated financial statements and will be matured within 3 months from the issue dates.

As at 31 December 2022, the short-term credit facilities of the Group which had not yet been drawdown amounted to Baht 2,270 million (2021: Baht 2,373 million).

## 19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Trade payables - related parties	43,384	28,380	212,796	55,598
Trade payables - unrelated parties	1,240,894	567,281	1,040,633	388,205
Other payables - related parties	8,175	967	36,190	532
Other payables - unrelated parties	260,633	367,829	190,923	298,660
Other payables for purchase of assets - unrelated parties	4,689	2,905	2,170	176
<b>Total trade and other payables</b>	<b>1,557,775</b>	<b>967,362</b>	<b>1,482,712</b>	<b>743,171</b>

## 20. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2022	2021	2022	2021
<b>The Company</b>						
1	LIBOR+1.625	Monthly installments as from January 2019 with the last installment in June 2031	811,969	1,363,954	811,969	1,363,954
2	THBFIX+1.65	Monthly installments as from June 2019 with the last installment in May 2031	398,028	442,856	398,028	442,856
3	Year 1 - 5: 3.25 Year 6 onward: Prime rate - 2	Quarterly installments as from June 2024 with the last installment in March 2028	2,007,245	2,000,674	2,007,245	2,000,674
4	Year 1 - 2: MLR - 1.8 Year 3 onward: MLR - 1.3	Monthly installments as from October 2023 with the last installment in October 2028	2,002,240	2,000,607	2,002,240	2,000,607
5	Year 1 - 3: MLR - 1 Year 3 -6: MLR - 0.5 Year 7 onward: MLR	Quarterly installments as from March 2024 with the last installment in December 2033	7,328,373	13,001,230	7,328,373	13,001,230
6*	Prime rate - 1.75	Quarterly installments as from July 2024 with the last installment in December 2029	500,000	-	500,000	-

## 20. เงินกู้ยืมระยะยาว

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2022	2021	2022	2021
The Subsidiaries						
7**	MLR-1.5	Semi-annually installments as from December 2018 with the last installment in December 2023	3,300	3,800	-	-
8**	4.0, MLR-1.5	Semi-annually installments as from December 2018 with the last installment in December 2023	16,320	19,820	-	-
9	Year 1-3: 4.0 Year 4 onward: MLR-1.5	Quarterly installments as from April 2018 with the last installment in January 2027	45,870	48,620	-	-
10**	4.0	Semi-annually installments as from February 2019 with the last installment in August 2023	206,000	206,000	-	-
11**	MLR-1.5	Semi-annually installments as from June 2019 with the last installment in December 2023	100,000	100,000	-	-
12	4.0	Quarterly installments as from November 2017 with the last installment in August 2023	14,790	16,790	-	-
13	Year 1-3: MLR-2.25 Year 4 onward: MLR-2.125	Monthly installments as from February 2019 with the last installment in November 2028	247,000	248,800	-	-
14**	THBFIX 6 months+1.5	Semi-annually installments as from June 2018 with the last installment in December 2024	150,000	150,000	-	-
15**	THBFIX 6 months+1.5	Semi-annually installments as from September 2020 with the last installment in September 2026	250,000	250,000	-	-
16	MLR	Monthly installments as from February 2018 with the last installment in January 2025	2,186	2,972	-	-

(Unit: Thousand Baht)

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2022	2021	2022	2021
17	MLR-2.2	Semi-annually installments as from November 2020 with the last installment in February 2024	23,820	42,220	-	-
18**	MLR-2.225	Semi-annually installments as from September 2020 with the last installment in September 2024	55,500	55,500	-	-
19	MLR-2.1	Semi-annually installments as from October 2021 with the last installment in April 2025	13,095	19,345	-	-
20**	MLR	2 installments from October 2022 with the last installment in April 2023	150,000	150,000	-	-
21**	2.0	Semi-annually installments as from October 2022 with the last installment in March 2023	50,000	50,000	-	-
22	Year 1 - 2: 2.0 Year 3 onward: 7.0	Semi-annually installment in June 2025 with the last installment in December 2026	100,000	40,000	-	-
Total			14,475,736	20,213,188	13,047,855	18,809,321
Less: Deferred finance charges			(132,457)	(56,139)	(132,457)	(56,139)
Long-term loans, net			14,343,279	20,157,049	12,915,398	18,753,182
Less: Current portion			(7,579,966)	(15,616,970)	(7,479,297)	(15,139,311)
Long-term loans, net of current portion			6,763,313	4,540,079	5,436,101	3,613,871

\* The Group has been granted these loan facilities during the current year.

\*\* Subsidiaries entered into amendment agreement with a bank. The detail of amendment is summarised below:

Contract amendment date	Loan no.	Interest rate	Repayment
30 August 2021	14	No change	Semi-annually installments as from June 2024 with last installment in December 2024
30 June 2022	7	No change	Semi-annually installments as from December 2022 with last installment in December 2023
30 June 2022	8	Year 1: 4.0 Year 2 onward: MLR-1	Semi-annually installments as from December 2022 with last installment in June 2025
18 July 2022	10	Year 1: 4.0 Year 2 onward: MLR-1	Semi-annually installments as from August 2023 with last installment in August 2026
18 July 2022	11	Year 1: MLR-1.5 Year 2 onward: MLR-1	Semi-annually installments as from June 2023 with last installment in December 2026
28 September 2022	15	No change	Semi-annually installments as from September 2023 with last installment in September 2028
24 November 2022	20	No change	Semi-annually installments as from October 2023 with last installment in April 2025
24 November 2022	21	For the first 3 months: 2.0 Month 4 onward: MLR	Semi-annually installments as from September 2023 with last installment in March 2025
14 December 2022	18	Year 1-2: MLR-2.225 Year 3 onward: MLR-1.00	Semi-annually installments as from March 2024 with last installment in September 2026

Movement of the long-term loans account during the years ended 31 December 2022 and 2021 is summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Beginning balance	20,157,049	2,963,252	18,753,182	1,777,946
Add: Additional borrowings	560,000	17,240,000	500,000	17,000,000
- Accretion of interests	46,179	2,511	46,179	2,511
- Amortisation of finance charges	17,432	861	17,432	861
Less: Repayments	(6,353,152)	(135,919)	(6,317,166)	(114,480)
- Payments of finance charges	(93,750)	(57,000)	(93,750)	(57,000)
Unrealised loss (gain) on exchange	9,521	143,344	9,521	143,344
Ending balance	14,343,279	20,157,049	12,915,398	18,753,182

Such long-term loans are secured by listed equity instruments that mortgaged shares are not less than 368.5 million shares, or the fair value is not less than Baht 8,391.5 million. As at 31 December 2022, the market value of the secured listed equity instruments were Baht 18,418 million (2021: Baht 13,687 million) as described in Note 10 to the consolidated financial statements. The Company registered business collateral to mortgage its investment properties as described in Note 13 to the consolidated financial statements, its land and buildings, and 3 ATR aircrafts (2021: 4 ATR aircrafts) to secure loans as described in Note 14 to consolidated financial statements, including guarantees for subsidiaries as described in Note 35.4 to the consolidated financial statements.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Group to maintain certain debt to equity and debt service

coverage ratios and defaults on any other debt obligations of the Company within 30 days from the date they are due according to the agreements. As at 31 December 2022, the Group was unable to maintain such debt to equity and debt service coverage ratios according to the agreements. The Group, therefore, classified long-term loans amounting to Baht 7,298 million (2021: Baht 15,002 million) (Separate financial statement: Baht 7,289 million (2021: Baht 14,950 million)) as current liabilities.

A subsidiary entered into interest rate swap agreements with a bank to hedge interest rate risk for its partial long-term loan from a bank as described in Note 38.1 to the consolidated financial statements.

As at 31 December 2022, the Group had long-term credit facilities which has not yet been drawdown amounting to Baht 1,000 million (2021: Baht 60 million) (Separate financial statement: Baht 1,000 million (2021: Nil)).

## 21. Long-term financial liabilities / deferred revenue from related party

On 7 September 2022, the Company entered into a long-term lease agreement with the Trust for the land, structures, and components of certain parts of properties used in the operations of the Samui Airport for a period of 25 years (from 7 September 2022 to 6 September 2047) amounting to Baht 14,300 million, and entered into a long-term service agreement with the Trust to provide services and/or procure, and maintain assets to the Trust over the same term as the long-term lease agreement mentioned above. The service fee is to be paid on a monthly basis as specified in the agreement.

Under the term of the agreement specifies various conditions which, among other things, require the Company to maintain license and comply with the license and relevant laws governing the operation of Samui Airport at present and in the future.

The Company already received rental fee from the lease agreement on 7 September 2022 and recognised as deferred revenue in the separate financial statements. The revenue is recognised on straight-line method through the lease term.

Movements of the deferred revenue for the nine-month period ended 31 December 2022 are summarised below:

(Unit: Thousand Baht)

	Separate financial statement 31 December 2022
Balance as at 1 January 2022	-
Increase during period	14,300,000
Revenue recognised during period	(181,133)
Balance as at 31 December 2022	14,118,867
Less: Portion due within one year	(572,000)
Deferred revenue from related party - net of current portion	13,546,867

On the same day, a subsidiary of the Company entered into a sublease agreement with the Trust for a term of 1 year, whereby it was committed to renew a 3-year lease term for not exceeding 8 terms (from 7 September 2022 to 6 September 2047) with monthly payments of Baht 92.5 to 150.7 million per month (The September payment in the first and the last year of the lease term will be calculated on a daily basis using the monthly rent divided by 30 days.), and entered into a long-term service agreement with the Trust to receive services and/or procurement and maintenance of the such assets provided by the Trust over the same term as the sublease agreement mentioned above. The service fee is to be paid on a monthly basis as specified in the agreement. Under the term of the sublease agreement specifies

various conditions which, among other things, require the Company to obtain license and comply with the license and relevant laws governing the operation of Samui Airport, and not enter into any collateral or obligations, including but not limiting to sublease, transfer any right of the lease or any other right, and lease on the assets under or other assets which relevance to the sublease agreement.

Furthermore, the Company pledged certain investments in equity instruments of listed companies as discussed in Note 10 to the consolidated financial statements as collateral for the sublease of the Subsidiary and the Subsidiary pledged bank deposits of not less than 1-month rent as collateral.

At the consolidation level, the Group considered the substance over the agreement of the long-term lease and sublease of the subsidiary and classified as long-term financial liabilities in the consolidated financial statements

and recognised financial cost over the lease term in a form that reflects the effective rate of return on the net financial liabilities under the lease agreement.

Movements of lease liabilities from related party for the nine-month period ended 31 December 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statement
Balance as at 1 January 2022	-
Increase during period	14,300,000
Increase from compound interest	362,473
Payment during the year	(259,000)
Balance as at 31 December 2022	14,403,473
Less: Portion due within one year	(92,500)
Lease liabilities from related party - net of current portion	14,310,973

## 22. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deposits	470,503	292,887	256,830	225,978
Airport tax payable	125,485	31,350	125,484	31,350
Maintenance reserve	1,299,843	1,149,723	1,299,843	1,149,723
Accrued expenses	181,040	111,267	26,698	13,525
Others	121,329	108,868	55,404	76,054
Total	2,198,200	1,694,095	1,764,259	1,496,630



## 23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Provision for long-term employee benefits at beginning of year	853,552	798,461	727,316	672,077
Included in profit or loss:				
Current service cost	104,007	96,865	72,199	72,741
Interest cost	15,002	8,999	12,690	7,711
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(3,743)	(35,554)	(87)	(41,335)
Financial assumptions changes	(18,910)	(23,383)	(15,613)	(21,810)
Experience adjustments	(35,602)	37,901	(34,460)	44,881
Reversal of provision from Voluntarily Early Retirement	-	(11,204)	-	-
Benefits paid during the year	(14,764)	(18,533)	(7,907)	(6,949)
Provision for long-term employee benefits at end of year	899,542	853,552	754,138	727,316

The Group expects to pay Baht 25.8 million (2021: Baht 14.9 million) of long-term employee benefits during the next year (Separate financial statements: Baht 22.6 million (2021: Baht 8.0 million)).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 4 - 28 years (2021: 7 - 28 years) (Separate financial statements: 9 years (2021: 10 years)).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	1.72 - 3.47	0.87 - 3.47	2.42	1.15
Salary increase rate	3.00 - 7.00	2.50 - 7.00	3.00	2.50
Turnover rate	0.00 - 33.00	0.00 - 31.00	4.00 - 9.00	4.00 - 8.00

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

(Unit: Million Baht)

	2022			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(66)	77	(59)	69
Salary increase rate	66	(57)	58	(51)
Turnover rate	(71)	80	(64)	74

(Unit: Million Baht)

	2021			
	Consolidated financial statement		Separate financial statement	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(67)	85	(62)	73
Salary increase rate	74	(57)	61	(52)
Turnover rate	(71)	88	(66)	77

## 24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward

(if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 25. Treasury stock

On 23 September 2021, the Board of Directors' Meeting resolved to approve the Company disposing of treasury stocks amounting to 40 million shares from the first share repurchase program, from 8 October 2021 to 3 March 2022 on the Stock Exchange of Thailand.

The movements of the treasury stocks during 2022 and 2021 are presented as follows.

	Number of shares	Share repurchase	Average price per share
Treasury stocks as at 1 January 2021	40,000	491,556	12.29
Sales during the year	(2,166)	(26,620)	12.29
Treasury stocks as at 31 December 2021	37,834	464,936	12.29
Sales during the year	(37,834)	(464,936)	12.29
Treasury stocks as at 31 December 2022	-	-	-

	Number of shares		Total value		Average price per share	
	2565	2564	2565	2564	2565	2564
Total sales of treasury stocks	37,834	2,166	364,119	26,794	9.62	12.37
Total purchases of treasury stocks	(37,834)	(2,166)	(464,936)	(26,620)	12.29	12.29
Difference between total sales of treasury stocks and total purchases of treasury stocks				(100,817)	174	

During the year ended 31 December 2022, the Company recognised the difference between total sales of treasury stocks and total purchases of treasury stocks as “Premium on ordinary share” and reversed treasury stock reserve of Baht 465 million (2021: Baht 27 million) from

“Appropriated retained earnings - others” to “Unappropriated retained earnings” in the statement of financial position because the Company sold all treasury stocks through the Stock Exchange of Thailand.

## 26. Revenue from contracts with customers

Sales and service revenue for the years 2022 and 2021 can be disaggregated by timing of revenue recognition and type by goods or services as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
• Revenue recognised over time				
- Passenger fare	8,451,129	1,190,606	8,452,122	1,190,609
- Baggage fee and other service income	2,354,610	1,268,343	1,104,855	205,318
- Freight	75,698	6,328	75,714	6,329
- Passenger service charge	243,568	43,076	153,676	43,076
• Revenue recognised at a point in time				
Sales income	1,019,097	390,525	-	-
<b>Total revenue from contracts with customers</b>	<b>12,144,102</b>	<b>2,898,878</b>	<b>9,786,367</b>	<b>1,445,332</b>

Below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 33 to the consolidated financial statements relating to the segment information:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
External customers	11,304,787	2,716,894	8,680,503	1,239,809
Inter-segment	666,336	109,386	1,009	205
	11,971,123	2,826,280	8,681,512	1,240,014
Adjustments and eliminations	(666,336)	(109,386)	-	-
	11,304,787	2,716,894	8,681,512	1,240,014
Revenue that recorded as a part of other income	839,315	181,984	1,104,855	205,318
<b>Total revenue from contracts with customers</b>	<b>12,144,102</b>	<b>2,898,878</b>	<b>9,786,367</b>	<b>1,445,332</b>

## 27. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest income on bank deposits	6,886	2,747	3,871	660
Interest income on loans	-	-	11,326	5,236
Other finance income	7,124	3,780	7,124	1,247
<b>Total</b>	<b>14,010</b>	<b>6,527</b>	<b>22,321</b>	<b>7,143</b>

## 28. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Interest expenses on borrowings	1,214,669	1,024,886	794,053	1,018,224
Interest expenses on lease liabilities	145,681	163,970	129,018	143,172
Other finance cost	129,101	75,927	122,168	25,978
<b>Total</b>	<b>1,489,451</b>	<b>1,264,783</b>	<b>1,045,239</b>	<b>1,187,374</b>

## 29. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Salary and wages and other employee benefits	2,847,406	2,339,179	1,619,846	1,495,429
Depreciation	2,333,673	2,241,518	2,038,995	1,893,342
Amortisation expenses	97,048	100,760	46,997	50,508
Rental expenses from operating leases	161,206	86,894	142,529	73,094
Aircraft fuel expenses	2,413,794	320,413	2,410,236	320,413
Repair and maintenance expenses	2,062,028	863,161	1,951,711	789,666
Ground service expenses	214,949	97,114	636,851	162,563
Catering and passenger service expenses	467,483	62,494	682,972	91,853
Landing and parking expenses	102,322	31,303	102,322	31,303
Aeronautical radio expenses	260,006	69,625	249,580	59,867
Booking expenses	815,637	247,763	815,637	247,763
Insurance expenses	185,144	149,560	123,510	123,875
Raw materials and supplies used	513,939	166,615	-	-
Fuel expenses for ground service equipment	47,044	33,845	-	-
Expense relating to share of revenue from operational right agreement	175,190	96,563	-	-

## 30. Income tax

### 30.1 Deferred tax assets / liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax assets				
Allowance for diminution in value of inventories	8,145	8,125	7,827	7,829
Accumulated depreciation - buildings and equipment	171	250	-	-
Accrued expenses	4,175	4,508	-	-
Provision for long-term employee benefits	105,754	140,456	82,276	120,605
<b>Total</b>	<b>118,245</b>	<b>153,339</b>	<b>90,103</b>	<b>128,434</b>
Deferred tax liabilities				
Unrealised gain on changes in fair value of investments	5,358,188	4,045,464	4,366,738	3,300,014
Accrued income	-	-	560	689
Leases	379,564	392,576	377,367	389,247
Gain on cash flow hedges	358	-	358	-
Accumulated depreciation - investment properties	1,145	-	1,145	-
<b>Total</b>	<b>5,739,255</b>	<b>4,438,040</b>	<b>4,746,168</b>	<b>3,689,950</b>
Deferred tax assets - net	29,842	26,321	-	-
Deferred tax liabilities - net	5,650,852	4,311,022	4,656,065	3,561,516

As at 31 December 2022, the Group had unused tax losses totaling Baht 10,504 million (2021: Baht 9,256 million) (Separate financial statements; Baht 9,273 million (2021: Baht 7,614 million), on which deferred tax assets

were not recognised as the Group believe that future taxable profits may not be sufficient to allow utilisation of unused tax losses. Such unused tax losses will expire by 2027 (2021: by 2026).

### 30.2 Income tax expenses (revenues)

Income tax expenses (revenues) for the years ended 31 December 2022 and 2021 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Current income tax:</b>				
Current corporate income tax charge	94,527	21,421	-	-
Adjustment in respect of income tax of previous year	167	12,001	167	10,980
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	19,796	(149,943)	25,655	(156,004)
Income tax expenses (revenues) reported in the statement of comprehensive income	114,490	(116,521)	25,822	(145,024)

The reconciliation between accounting loss and income tax expenses (revenues) is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Accounting loss before tax	(2,011,405)	(8,716,368)	(2,121,893)	(9,440,475)
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(402,281)	(1,743,274)	(424,379)	(1,888,095)
Adjustment in respect of income tax of previous year	167	12,001	167	10,980
<b>Effects of:</b>				
Tax exempted revenue	(172,557)	(196,054)	(163,090)	(179,937)
Non-deductible expenses	940,761	2,325,862	861,823	2,385,541
Additional expense deductions allowed	(274,935)	(518,519)	(273,312)	(474,535)
Revenue treated under the Revenue Code	23,335	3,463	24,613	1,022
<b>Total</b>	516,604	1,614,752	450,034	1,732,091
Income tax expenses (revenues) reported in the statement of comprehensive income	114,490	(116,521)	25,822	(145,024)



### 30.3 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Deferred tax relating to:				
Gain on cash flow hedges	(3,303)	2,964	(3,303)	-
Gain on changes in value of investments in equity designated at fair value	1,312,724	505,859	1,066,724	411,559
Actuarial gain on defined benefits plan	7,091	3,582	5,472	3,027
	1,316,512	512,405	1,068,893	414,586

### 31. Promotional privileges

By virtue of the provisions of Investment Promotion Act, the Company was granted certain privileges by exemption from income tax for net income from promoted business for 5 - 8 years as follows:

(Unit: Thousand Baht)

Promotion certificate No.	Description	Commencing date	Expiring date
<b>Air transportation operations</b>			
1208(2)/2556	6 aircrafts with capacity of 832 seats	18 May 2013	17 May 2021
2604(2)/2555	12 aircrafts with capacity of 1,154 seats	17 February 2015	16 February 2023
61-0099-1-00-1-0	1 aircraft with capacity of 144 seats	16 July 2018	15 July 2023
61-1240-1-00-1-0	1 aircraft with capacity of 70 seats	16 December 2018	15 December 2023
61-0098-1-00-1-0	1 aircraft with capacity of 144 seats	19 January 2019	18 January 2024
61-1290-1-00-1-0	1 aircraft with capacity of 70 seats	3 January 2019	2 January 2024
61-1443-1-00-1-0	1 aircraft with capacity of 70 seats	8 April 2019	7 April 2024
62-0009-1-00-1-0	1 aircraft with capacity of 70 seats	20 May 2019	19 May 2024
62-0774-1-00-1-0	1 aircraft with capacity of 162 seats	Not yet have income in 2022	
63-0063-1-00-1-0	1 aircraft with capacity of 70 seats	Not yet have income in 2022	

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

The Company's operating revenues for the years ended 31 December 2022 and 2021 divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

	Promoted operations		Non-promoted operations		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenue</b>						
Passenger fare	4,612	817	3,840	374	8,452	1,191
Others	225	751	2,032	5,300	2,257	6,051
Total revenue	4,837	1,568	5,872	5,674	10,709	7,242

### 32. Earnings per share

Basic earnings per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year, net of treasury stocks held by the Company as

described in Note 25 to the consolidated financial statements.

The following table sets forth the computation of basic earnings per share:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Loss for the years (Thousand Baht)	(2,110,184)	(8,549,862)	(2,147,715)	(9,295,451)
Weighted average number of ordinary shares (Thousand shares)	2,097,517	2,060,477	2,097,517	2,060,477
Basic earnings per share (Baht/share)	(1.01)	(4.15)	(1.02)	(4.51)

### 33. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. For management purposes, the Group is organised into business units based on its services, and there are the following three reportable segments:

- The airline segment, which sells tickets and provides services to passengers.  
The airport segment, which provides location services for passengers and airlines.
- The supporting airline business segment, which provides ground handling, cargo and catering services for airlines and customers.

Other segments are restaurants, duty free shop and aviation training business but these operating segments do not meet the quantitative thresholds as set out in the financial reporting standard.

The chief operating decision maker monitors the operating results of the business units for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Group's financing activities which give rise to including finance costs, finance income and income taxes are managed on a Group basis and are not allocated to operating segments.

The following tables present revenue and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2022 and 2021.

(Unit: Million Baht)

	Aviation business segments						Supporting airline		Other		statements			
	Airline segment		Airport segment		Total		business segments		segments		segment revenues			
	2565	2564	2565	2564	2565	2564	2565	2564	2565	2564	2565	2564		
Revenue from external customers	8,527	1,197	2,444	43	8,771	1,240	2,007	1,171	527	306	-	-	11,305	2,717
	1	-	-	-	1	-	617	97	49	12	(667)	(109)	-	-
Inter-segment revenues	8,528	1,197	2,444	43	8,772	1,240	2,624	1,268	576	318	(667)	(109)	11,305	2,717
Total revenues	(220)	(3,230)	(287)	(250)	(507)	(3,480)	328	162	(40)	(80)	-	-	(219)	(3,398)
Segment operating profit (loss)														
Unallocated income and expenses:													517	827
Dividend income													14	7
Finance income													(137)	(473)
Loss on exchange													919	1,595
Other income													(798)	(282)
Selling and distribution expenses													(1,300)	(1,269)

Administrative expenses	Aviation business segments						Supporting airline		Other		statements	
	Airline segment		Airport segment		Total		business segments		segments		segment revenues	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Net loss from lease agreement termination of the fund												
Share of profit from investments in associates												
Finance costs											489	453
Income tax revenues (expenses)											(1,489)	(1,265)
Non-controlling interests of the subsidiaries											(114)	116
Loss for the year attributable to equity holders of the Company											16	50
											(2,110)	(8,550)

The basis of accounting for any transactions between reportable segment is consistent with that for third party transactions. Inter-segment revenues are eliminated from the consolidated financial statements. Transfer prices between business segments are as set out in Note 6 to the consolidated financial statements. In 2022, 84 percent of total revenue from the airlines, airports and supporting airlines business segments of the Group was derived from domestic operations (2021: 90 percent). In 2022, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

## 34. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Company and employees contribute to the fund monthly at the rate of 0 percent to 8 percent of basic salary (2021: 0 percent to 8 percent of basic salary). The fund, which is managed by MFC Assets Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During 2022, the Company recognised such contributions amounting to Baht 12 million as expenses (2021: the Company did not contribute to the fund).

Subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both subsidiaries and employees contribute to the fund monthly at the rate of 0 percent to 7 percent of basic salary (2021: 0 percent to 8 percent of basic salary). The funds, which are managed by Tisco Assets Management Public Co., Ltd. and MFC Assets Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to Baht 11 million (2021: Baht 5 million) were recognised as expenses.

## 35. Commitments and contingent liabilities

### 35.1 Capital commitments

As at 31 December 2022, the Group had capital commitments of Baht 51 million and SGD 0.45 million (2021: Baht 64 million and SGD 0.46 million) (Separate financial statements: Baht 51 million and SGD 0.45 million

(2021: Baht 63 million and SGD 0.46 million)) mainly relating to acquisition of land and building improvement construction.

### 35.2 Operation and service agreement commitments

The Group entered into ground service equipment and maintenance facilities, catering project, several service agreements, short-term lease agreements and leases of low-value assets. The terms of the agreements are generally between 1 to 20 years.

As at 31 December 2022, the Group had future minimum payments required under non-cancellable agreements are as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Payable</b>				
In up to 1 year	794	404	354	255
In over 1 year and up to 5 years	1,794	2,042	170	255
In over 5 years	1,290	3	1	3

### 35.3 Letter of guarantees

As at 31 December 2022, there were the following outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business of the Group.

	Consolidated financial statements		Separate financial statements	
	2022 (Million )	2021 (Million)	2022 (Million)	2021 (Million)
<b>Letter of guarantees for land and building rental</b>				
Baht	83.02	89.08	32.44	37.94
USD	-	0.77	-	0.77
<b>Letter of guarantees for purchase of aircraft fuel</b>				
Baht	20.05	20.05	20.05	20.05
<b>Letter of guarantees for the operational right contract</b>				
Baht	424.27	558.27	-	-
<b>Letter of guarantees for payments due to creditors</b>				
Baht	34.76	33.56	-	-
MYR	-	0.02	-	0.02
SGD	0.25	0.25	0.25	0.25
USD	0.20	-	0.20	-
<b>Letter of guarantees for government agency projects</b>				
Baht	12.99	12.99	-	-
<b>Other letter of guarantees</b>				
Baht	23.77	23.77	22.77	22.77
MYR	-	1.00	-	1.00

### 35.4 Guarantees

35.4.1 As at 31 December 2022, subsidiaries had the following contingent liabilities in respect of guarantees for short-term loans from financial institutions, long-term

loans, bank overdraft facilities, lease agreements, letter of credit facilities, trust receipts and foreign currency forward contract facilities as follows.

(Unit: Million Baht)

Guarantor	Guarantee	2022	2021
Bangkok Air Catering Co., Ltd.	BAC Gourmet House Co., Ltd.	133	133
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Samui Co., Ltd.	46	46
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Phuket Co., Ltd.	455	455
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Chiang Mai Co., Ltd.	315	315
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Don Mueang Co., Ltd.	91	91
Bangkok Airways Holding Co., Ltd.	Gourmet Primo Co., Ltd.	380	380
		1,420	1,420

35.4.2 The Company received an approval of credit facility of letter of guarantee from a commercial bank amounting to Baht 2,025 million. The Company used such credit facility to issue letter of guarantee for the joint venture (U-tapao International Aviation Company Limited) to guarantee compliance with the joint venture

contract for the U-tapao International Airport and Eastern Airport City Development Project. In addition, the Company also provided the guarantee of not exceeding Baht 13,251 million to Eastern Economic Corridor Office for the damages exceeding the amount of bank guarantee above.

### 35.5 Letter of credit facilities

The Company entered into a credit facilities agreement, letter of credits with a bank amounting to Baht 20 million. The Company has to comply with all conditions as stip-

ulated in the agreement. As at 31 December 2021, the undrawn portion of these credit facilities amounted to Baht 20 million (2021: Baht 20 million).



## 36. Litigations

### The Company

36.1 In February 2022, the Company was sued by its 2 former employees, claiming severance payment due to unfair termination amounting to Baht 46 million together with the interest and surcharge thereon at the rate of 7.5 percent and 15 percent per annum, respectively. The Court therefore ordered to proceed the cases by setting issues and fixed trial date in April 2023. In this regard, the Company's management believes that the result of such cases will not significantly affect the Company's financial position.

### Subsidiaries

36.3 In July 2020, a subsidiary was sued by its former employee, claiming severance payment due to an unfair termination amounting to Baht 5 million together with the interest thereon at the rate of 7.5% per annum. Subsequently, on 15 March 2022, the Labour Court judged the subsidiary to win the case and to not pay subsidies. Therefore, the case was end.

36.2 In April 2022, the Company was sued by its 2 former employees, claiming severance payment for unfair termination amounting to Baht 1.9 million together with the interest thereon at the rate of 115 percent per annum. Subsequently, on 27 October 2022, the plaintiff amended the plaint by increasing the severance payment to Baht 50 million together with the interest rate of 5 percent per annum. The court scheduled the hearing in May 2023. In this regard, the Company's management believes that the result of such case will not significantly affect the Company's financial position.

36.4 In January 2021, a subsidiary and an associate were sued by an injured person for compensation of Baht 42.8 million with interest thereon at the rate of 7.5% per annum for negligent act causing serious injury to a person while performing duty. Subsequently, on 6 October 2022, the injured person accepted and agreed the settlement agreement which the subsidiary and the associate paid compensation amounting to Baht 5 million. However, the compensation was covered by the insurance company. Therefore, the case was end.

### 37. Fair value hierarchy

As at 31 December 2022, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investments in equity instruments	31,983	-	529	32,512
Derivatives - Interest rate swap agreement	-	18	-	18
Derivatives - Cross currency and interest rate swap agreements	-	18	-	18
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	693	693
<b>Liabilities measured at fair value</b>				
Derivatives - Interest rate swap agreements	-	1	-	1
Derivatives - Cross currency and interest rate swap agreements	-	26	-	26

(Unit: Million Baht)

	Consolidated financial statements 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investments in equity instruments	25,398	-	551	25,949
Derivatives - Cross currency and interest rate swap agreements	-	8	-	8
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	-	615	615
<b>Liabilities measured at fair value</b>				
Derivatives - Interest rate swap agreements	-	15	-	15
Derivatives - Cross currency and interest rate swap agreements	-	114	-	114

(Unit: Million Baht)

	Separate financial statements 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investments in equity instruments	26,038	-	529	26,567
Derivatives - Interest rate swap agreement	-	18	-	18
Derivative - Cross currency and interest rate swap agreement	-	18	-	18
<b>Assets for which fair value is disclosed</b>				
Investment properties	-	-	3,899	3,899
<b>Liabilities measured at fair value</b>				
Derivatives - Cross currency and interest rate swap agreements	-	26	-	26

(Unit: Million Baht)

	Separate financial statements 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investments in equity instruments	20,683	-	551	21,234
Derivatives - Cross currency and interest rate swap agreement	-	8	-	8
<b>Assets for which fair value is disclosed</b>				
Investment properties	-	-	992	992
<b>Liabilities measured at fair value</b>				
Derivatives - Interest rate swap agreement	-	7	-	7
Derivatives - Cross currency and interest rate swap agreements	-	114	-	114

During the current year, there were no changes in methods and assumptions used by the Group to measure fair value of financial instruments and no transfers within the fair value hierarchy.

## 38. Financial instruments

### 38.1 Derivatives and hedge accounting

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Derivative assets</b>				
<b>Derivative assets designated as hedging instruments</b>				
Interest rate swap agreement	18,723	-	18,723	-
Cross currency and interest rate swap agreements	17,567	8,108	17,567	8,108
<b>Total derivative assets</b>	<b>36,290</b>	<b>8,108</b>	<b>36,290</b>	<b>8,108</b>
<b>Derivative liabilities</b>				
<b>Derivatives liabilities designated as hedging instruments</b>				
Interest rate swap agreements	650	14,561	-	6,820
Cross currency and interest rate swap agreements	25,961	113,725	25,961	113,725
<b>Total derivative liabilities</b>	<b>26,611</b>	<b>128,286</b>	<b>25,961</b>	<b>120,545</b>

# Derivatives designated as hedging instruments

## Cash flow hedges

### Interest rate risk

The Group has interest rate swap agreements which are designated as hedging instruments in cash flow hedges of liabilities arising from aircraft lease agreements and long-term loans. The Group entered into interest rate swap agreements with financial institutions to exchange of a variable interest rate to fixed interest contract rate.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the floating rate

aircraft lease agreements. To test the hedge effectiveness, the Group negotiated the terms of the derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable which are carried at floating interest rates.

Hedge ineffectiveness can arise from differences in the timing of cash flows of the hedged item and hedging instruments.

### Foreign currency and interest rate risk

The Group has cross currency and interest rate swap agreements which are designated as hedging instruments in cash flow hedges of liabilities arising from aircraft lease agreements. These are defined as a combined hedge of currency risk and interest rate risk.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency and interest rate swap match the terms of aircraft lease agreements with floating rate in foreign currency. The Group negotiated the terms of the deriv-

atives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency with floating interest rates.

Hedge ineffectiveness can arise from differences in the timing of cash flows of the hedged item and hedging instrument.

Details of derivatives, by maturity, hold as hedging instruments as at 31 December 2022 are as follows:

	Consolidated financial statements Maturity						
	Less than 1 year		1 to 5 years		> 5 years		Total
	2022	2021	2022	2021	2022	2021	
	2022	2021	2022	2021	2022	2021	
<b>Interest rate swaps</b>							
Notional amount (Thousand Baht)	85,163	79,542	367,009	399,448	26,609	79,334	558,324
Average fixed rate (%)	3.00	2.95	3.04	3.12	2.38	2.38	2.99
	Consolidated financial statements Maturity						
	Less than 1 year		1 to 5 years		> 5 years		Total
	2022	2021	2022	2021	2022	2021	
	2022	2021	2022	2021	2022	2021	

<b>Gross currency and interest rate swaps</b>							
Notional amount (Thousand Baht)	284,145	326,947	1,214,186	1,387,786	240,369	595,442	2,310,175
Average fixed rate (%)	3.06	2.94	3.08	2.96	3.53	3.21	3.02
Average exchange rate (US dollar/Baht)	34.32	34.38	34.32	34.38	34.28	34.33	34.37

	Separate financial statements							
	Less than 1 year		1 to 5 years		> 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	
	2022	2021	2022	2021	2022	2021	2022	
<b>Interest rate swaps</b>								
Notional amount (Thousand Baht)	284,145	326,947	1,214,186	1,387,786	240,369	595,442	1,738,700	2,310,175
Average fixed rate (%)	3.06	2.94	3.08	2.96	3.53	3.21	3.14	3.02
<b>Cross currency and interest rate swaps</b>								
Notional amount (Thousand Baht)	284,145	326,947	1,214,186	1,387,786	240,369	595,442	1,738,700	2,310,175
Average fixed rate (%)	3.06	2.94	3.08	2.96	3.53	3.21	3.14	3.02
Average exchange rate (US dollar/Baht)	34.32	34.38	34.32	34.38	34.28	34.33	34.31	34.37

The impact of hedged items on the statement of financial position as at 31 December 2022 is as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve as continuing hedges	
	2022	2021	2022	2021
	123	385	10	(113)
Liabilities under aircraft	7	18	(1)	(7)
lease agreements	123	385	10	(113)

The impact of the hedging instruments on the statement of financial position as at 31 December 2022 and 2021 and the effect of the cash flow hedge in the statement of comprehensive income for the year ended 31 December 2022 are, as follows:

(Unit: Million Baht)

	Consolidated financial statements												
	Notional amounts		Carrying amount		Changes in fair value used for measuring ineffectiveness		Effectiveness recognised in other comprehensive income		Ineffectiveness recognised in profit or loss		Amount of cash flow hedge reserve reclassified to profit or loss		Line item in profit or loss
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Interest rate swap agreements	479	558	17	(15)	32	18	32	18	-	-	(8)	(11)	Finance cost
Cross currency and interest rate swap agreements	1,739	2,310	(8)	(105)	97	385	97	385	-	-	(72)	(293)	Loss on exchange and finance cost
<b>Total</b>	<b>2,218</b>	<b>2,868</b>	<b>9</b>	<b>(120)</b>	<b>129</b>	<b>403</b>	<b>129</b>	<b>403</b>	<b>-</b>	<b>-</b>	<b>(80)</b>	<b>(304)</b>	



(Unit: Million Baht)

		Separate financial statements										Line item in profit or loss		
		Notional amounts		Carrying amount		Changes in fair value used for measuring ineffectiveness		Effectiveness recognised in other comprehensive income		Ineffectiveness recognised in profit or loss			Amount of cash flow hedge reserve reclassified to profit or loss	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Interest rate swap agreements		284	333	18	(8)	26	10	26	10	-	-	4	(5)	Finance cost
Gross currency and interest rate swap agreements		1,739	2,310	(8)	(105)	97	385	97	385	-	-	(72)	(293)	Loss on exchange and finance cost
<b>Total</b>		<b>2,023</b>	<b>2,643</b>	<b>10</b>	<b>(113)</b>	<b>123</b>	<b>395</b>	<b>123</b>	<b>395</b>	<b>-</b>	<b>-</b>	<b>(76)</b>	<b>(298)</b>	

## Impacts of interest rate benchmark reform

The Group has exposure in relation to the replacement or reform of the benchmark InterBank Offered Rates (“IBORs”) of its financial instruments since there is uncertainty over the timing and the methods of transition in some jurisdictions in which the Group operates. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group applies temporary exceptions which enable entities to continue applying hedge accounting during the period of uncertainty. Specifically, the temporary exceptions state that for the purpose of determining whether a forecast transaction is highly probable for cash flow hedges, it is assumed that the benchmark interest rate on which the hedged cash flows are based is unchanged as a result of IBOR reform.

The management committee is monitoring and managing the Group’s transition to alternative benchmark rates. The committee evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The Group is currently in process of considering to change to alternative benchmark rates. As at 31 December 2022, the Group has interest rate swaps, and cross currency and interest rate swaps that carry interest at floating rates based on LIBOR and mature between 2026 and 2029 (Separate financial statements: between 2026 and 2029) with nominal amounts of USD 43 million, and Baht 195 million (Separate financial statements: USD 43 million).

### 38.2 Financial risk management objectives and policies

The Group’s financial instruments principally comprise cash and cash equivalents, trade and other receivables, reimbursable maintenance expenses, loans to, long-term

loans, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans to, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum

exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group’s maximum exposure relating to derivatives is noted in the liquidity risk topic.

### Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various

customer segments with similar credit risks. The Group classifies customer segments by customer type. The calculation reflects reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off in accordance with the Group's policy.

### Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee.

The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### Market risk

There are four types of market risk comprising foreign currency risk, interest rate risk, fuel price risk and return on investment risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- interest rate swap agreements to mitigate the risk of rising interest rates;
- cross currency and interest rate swap agreements to mitigate the risk of rising interest rates and foreign currency rates;

### Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its aircraft lease agreements that are denominated in foreign currencies.

The Group manages its foreign currency risk by entering into cross currency and interest rate swap agreements to translate notional principal amounts by reference to fixed exchange rate.

As at 31 December 2022, the Group hedged its liabilities under aircraft lease agreements in foreign currencies. This foreign currency risk is hedged by using cross currency and interest rate swap agreements.

As at 31 December 2022, the Group's balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
EUR	1	-	2	-	36.83	37.89
CNY	3	3	-	-	4.97	5.25
INR	54	7	3	1	0.42	0.47
SGD	6	2	-	-	25.72	24.74
RUB	223	2	-	-	0.47	0.45
USD	88	88	243	228	34.56	33.42
VND	19,124	4,227	32,358	17	0.001	0.001

สกุลเงิน	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
EUR	1	-	1	-	36.83	37.89
CNY	3	3	-	-	4.97	5.25
INR	54	7	3	1	0.42	0.47
SGD	6	2	-	-	25.72	24.74
RUB	223	2	-	-	0.47	0.45
USD	88	88	169	224	34.56	33.42
VND	19,124	4,227	32,358	17	0.001	0.001

### Foreign currency sensitivity

The Group determines that there is no significant exposure risk from change in foreign currency.

### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loans to, lease liabilities and long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by entering into interest rate swap agreements and cross currency and interest rate swap agreements, in which it agrees to exchange, at specified intervals, between fixed and variable interest rate amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements 2022						Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	180	-	-	2,730	682	3,592	Note 7
Trade and other receivables	-	-	-	-	1,185	1,185	-
Other current financial assets	3,055	-	-	-	-	3,055	1.10 - 1.35
Restricted bank deposits	-	-	-	8	-	8	0.10 - 1.10
Investments in equity instruments	-	-	-	-	32,512	32,512	-
Other non-current financial assets	-	-	-	36	-	36	Note 38
<b>Financial liabilities</b>							

(Unit: Million Baht)

Consolidated financial statements 2022							Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
	<b>Financial liabilities</b>						
Bank overdraft and short-term loans from financial institutions	460	-	-	308	-	768	Note 18
Trade and other payables	-	-	-	-	1,558	1,558	-
Long-term loans	65	100	-	14,178	-	14,343	Note 20
Long-term financial liability from related party	93	156	14,154	-	-	14,403	Note 21
Lease liabilities	2,516	467	63	676	-	3,722	3.29 - 4.10
Other non-current financial liabilities	-	-	-	27	-	27	Note 38

(Unit: Million Baht)

Consolidated financial statements 2021							Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Fixed interest rates		Over 5 years				
	Within 1 year	1-5 years					
<b>Financial assets</b>							
Cash and cash equivalents	180	180	-	1,311	635	2,126	Note 7
Trade and other receivables	-	-	-	-	373	373	-
Restricted bank deposits	6	6	-	2	-	8	Note 10
Investments in equity instruments	-	-	-	-	25,949	25,949	-
Other non-current financial assets	-	-	-	8	-	8	Note 38
<b>Financial liabilities</b>							
Bank overdraft and short-term loans from financial institutions	732	-	-	185	-	917	Note 18
Trade and other payables	-	-	-	-	967	967	-
Long-term loans	-	-	-	20,157	-	20,157	Note 20
Long-term loan from related party	1,000	-	-	-	-	1,000	Note 6
Lease liabilities	3,183	1,894	42	240	-	5,359	3.29 - 4.10
Other non-current financial liabilities	-	-	-	128	-	128	Note 38

(Unit: Million Baht)

Separate financial statements 2022						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	2,278	533	2,811	Note 7
Trade and other receivables	-	-	-	722	722	-
Other current financial assets	3,000	-	-	-	3,000	1.10 - 1.35
Restricted bank deposits	-	-	8	-	8	0.10 - 1.10
Investments in equity instruments	-	-	-	26,567	26,567	-
Other non-current financial assets	-	-	36	-	36	Note 38
<b>Financial liabilities</b>						
Bank overdraft and short-term loans from financial institutions	460	-	-	-	460	Note 18
Trade and other payables	-	-	-	1,483	1,483	-
Long-term loans	-	-	12,915	-	12,915	Note 20
Lease liabilities	2,406	160	676	-	3,305	3.30 - 3.97
Other non-current financial liabilities	-	-	26	-	26	Note 38



(Unit: Million Baht)

Separate financial statements 2021							Effective interest rate (% per annum)
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	835	624	1,459	Note 7
Trade and other receivables	-	-	-	-	175	175	-
Restricted bank deposits	6	-	-	2	-	8	Note 10
Investments in equity instruments	-	-	-	-	21,234	21,234	-
Long-term loan to related party	-	-	-	211	-	211	Note 6
Other non-current financial assets	-	-	-	8	-	8	Note 38
<b>Financial liabilities</b>							
Bank overdraft and short-term loans from financial institutions	720	-	-	-	-	720	Note 18
Trade and other payables	-	-	-	-	743	743	-
Long-term loans	-	-	-	18,753	-	18,753	Note 20
Long-term loan from related party	1,000	-	-	-	-	1,000	Note 6
Lease liabilities	3,093	1,508	42	240	-	4,883	3.30 - 3.97
Other non-current financial liabilities	-	-	-	121	-	121	Note 38

### Interest rate sensitivity

The Group determines that there is no significant exposure risk from change in floating interest rate.

### Fuel Price Risk

Fuel price fluctuation depends on supply and demand of global economic situation and political uncertainty worldwide. Fuel price has direct impact on the Company's operating results as fuel plays a vital factor in airline industry.

As at 31 December 2022, the Company has no obligation from fuel price hedging.

### Liquidity risk

Approximately 38% of the Group's debt will mature in less than one year at 31 December 2022 (2021: 67%) (Separate financial statements: 40% (2021: 69%)) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety

of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 based on contractual undiscounted cash flows:

As at 31 December 2022

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Bank overdraft and short-term loans from financial institutions	767,949	-	-	767,949
Trade and other payables	1,557,775	-	-	1,557,775
Lease liabilities*	3,391,389	496,039	84,595	3,972,023
Long-term loans*	7,598,379	3,306,824	3,976,723	14,881,926
Long-term financial liability from related party	1,202,500	4,619,229	29,696,592	35,518,321
<b>Total non-derivatives</b>	<b>14,517,992</b>	<b>8,422,092</b>	<b>33,757,910</b>	<b>56,697,994</b>
<b>Derivatives</b>				
Derivative liabilities: net settled	(120)	(9,909)	(3,166)	(13,195)
<b>Total derivatives</b>	<b>(120)</b>	<b>(9,909)</b>	<b>(3,166)</b>	<b>(13,195)</b>

As at 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements			
	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Bank overdraft and short-term loans from financial institutions	917,141	-	-	917,141
Trade and other payables	967,362	-	-	967,362
Lease liabilities*	3,479,862	2,168,747	54,052	5,702,661
Long-term loans*	15,486,940	3,060,923	2,357,700	20,905,563
Long-term loans from related party	1,012,500	-	-	1,012,500
<b>Total non-derivatives</b>	<b>21,863,805</b>	<b>5,229,670</b>	<b>2,411,752</b>	<b>29,505,227</b>
<b>Derivatives</b>				
Derivative liabilities: net settled	11,705	40,507	12,801	65,013
<b>Total derivatives</b>	<b>11,705</b>	<b>40,507</b>	<b>12,801</b>	<b>65,013</b>

As at 31 December 2022

(Unit: Thousand Baht)

	Separate financial statements 2022			
	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Bank overdraft and short-term loans from financial institutions	460,043	-	-	460,043
Trade and other payables	1,482,712	-	-	1,482,712
Lease liabilities*	3,267,538	173,516	84,594	3,525,648
Long-term loans*	7,497,710	2,073,321	3,868,223	13,439,254
<b>Total non-derivatives</b>	<b>12,708,003</b>	<b>2,246,837</b>	<b>3,952,817</b>	<b>18,907,657</b>
<b>Derivatives</b>				
Derivative liabilities: net settled	(3,531)	(14,826)	(3,166)	(21,523)
<b>Total derivatives</b>	<b>(3,531)</b>	<b>(14,826)</b>	<b>(3,166)</b>	<b>(21,523)</b>

(Unit: Thousand Baht)

	Separate financial statements 2021			
	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>				
Bank overdraft and short-term loans from financial institutions	720,120	-	-	720,120
Trade and other payables	743,171	-	-	743,171
Lease liabilities*	3,374,148	1,754,466	54,052	5,182,666
Long-term loans*	15,199,739	1,992,522	2,189,945	19,382,206
Long-term loans from related party	1,012,500	-	-	1,012,500
<b>Total non-derivatives</b>	<b>21,049,678</b>	<b>3,746,988</b>	<b>2,243,997</b>	<b>27,040,663</b>
<b>Derivatives</b>				
Derivative liabilities: net settled	7,697	32,180	12,801	52,678
<b>Total derivatives</b>	<b>7,697</b>	<b>32,180</b>	<b>12,801</b>	<b>52,678</b>

\* The Group was unable to maintain the financial ratios and debt service coverage ratios according to the agreements, the Group, therefore, classified lease liabilities amounting to Baht 2,003 million (2021: Baht 2,364 million) (Separate financial statements: 2,003 million (2021: Baht 2,364 million)) as current portion of lease liabilities and long-term loans amounting to Baht 7,298

million (2021: Baht 15,002 million) (Separate financial statements: Baht 7,289 million) (2021: Baht 14,950 million)) as current portion of long-term loans which were presented under current liabilities in the statement of financial position as described in the Note 15.1 and 20, respectively, to the consolidated financial statements.

### 38.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- c) The fair value of long-term loans is estimated by discounting expected future cash flows by the current market interest rate of loans with similar terms and conditions.

- d) The fair value of lease liabilities, long-term financial liability from related party and fixed rate long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- e) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- f) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group considers counterparty credit risk when determining the fair value of derivatives.

### 39. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value, including compliance with any

financial conditions in aircraft lease agreements and loan agreements. As at 31 December 2022, the Group's debt-to-equity ratio was 2.71:1 (2021: 2.72:1) and the Company's was 2.50:1 (2021: 2.48:1).

### 40. Events after the reporting period

On 24 February 2022, the Company's Board of Directors' Meeting No. 1/2022 approved the resolution to omit

the dividend payment for the year 2021 since the Company incurred net operating losses.

### 41. Approval of consolidated financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 23 February 2023.

## 1. Details of the directors of the subsidiaries

List of the directors	Subsidiaries															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Mr. Prasert Prasarttong-Osoth				X												X
2. Mrs. Vanli Prasarttong-Osoth				/												
3. Ms. Somruthai Prasarttong-Osoth		/	/				X	X								
4. Mr. Sripop Sarasas															X	
5. Mr. Somboon Kittiyasub															/	
6. Mr. Pradit Theekakul		/	/	/								/				/
7. Mr. Puttipong Prasarttong-Osoth	X	X	X	/	X	X	X			X	X	X		X		/
8. Mr. Anawat Leelawatwatana		/	/	/	/	/	/	/	/	/	/	/		/	/	/
9. Mr. Pracha Laochamroen		/	/	/	/	/	/			/	/			/		
10. Gen. Komkrich Sriyaphan			/													
11. Mr. Linus Knobel		//			//	//	//			//	//					
12. Ms. Poonsuk Teerawanichphol		/	/		/	/	/	/	/	/	/			/		
13. Ms. Aninya Nateprapai		/											/			

List of the directors	Subsidiaries															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
14. AM.Dechit Chareonwong													X			
15. Ms.Tesarun Sitakalin													/			
16. Mr.Nijapat Piyapant	/															
17. Mrs.Chanthip Thongkanya	/															
18. Ms.Leelapat Leelahavanich															/	
19. Mr. Stewart James Sinclair			//					//								
20. Mr. Barry Nasberg			/													

Note:

/= Director // = Managing Director X = Chairman

1. Bangkok Airways Ground Services Co. Ltd.
2. Bangkok Airways Holding Co., Ltd.
3. Bangkok Air Catering Samui Co., Ltd.
10. Gourmet Primo Co., Ltd.
13. Bangkok Air Aviation Training Center Co., Ltd.
16. Bangkok Airport Management Co.,LTD
2. Bangkok Air Catering Co., Ltd.
5. Bangkok Air Catering Phuket Co., Ltd.
8. SA Services Co., Ltd.
11. Bangkok Air Catering Chiang Mai Co., Ltd.
14. Bangkok Air Catering Don Muang Co., Ltd.
3. Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
6. BAC Gourmet House Co., Ltd.
9. BFS Cargo DMK Co., Ltd.
12. More Than Free Co., Ltd.
15. Bangkok REIT Management Co., LTD.

# Bangkok Airways Office

## Head Office

9 Mu 14, Vibhavadirangsit Rd., Chom Phon,  
Chatuchak, Bangkok 10900 Thailand

Reservation Center: 1771

Tel: +66 (2) 270 6699

Fax: +66 (2) 265 5556

Sales Tel: +66 (2) 265 5678

Fax: +66 (2) 265 5522

Email: reservation@bangkokair.com

## Chiang Mai Airport Office

1st Floor, Chiang Mai International Airport,  
Chiang Mai 50000 Thailand

Tel: +66 (53) 281 519 ext 11/14

Fax: +66 (53) 281 519 ext 18

Email: cnxrpg@bangkokair.com

## Mae Hong Son Airport Office

Address: Mae Hong Son Airport Niwet  
Phisan Road, Muang, Mae Hong Son 58000

Telephone Number: +66 (53) 611 426

Fax: +66 (53) 611 425

E-mail: hgnrrpg@bangkokair.com

## Samui Airport Office

99 Mu 4 , Bo Phud, Koh Samui,  
Suratthani 84320 Thailand

Operator Tel: +66 (77) 428 500

Ticketing Tel: +66 (77) 428 555

Fax: +66 (77) 601 162

Email: usmrrpg@bangkokair.com

## Bangkok Airport Office

Suvarnabhumi International Airport  
Passenger Main Terminal, 6th Floor, Row F

999 Mu 10, Bangna-Trat Rd., RachaThewa,

Bang-Phli Samutprakan 10540 Thailand

Tel: 1771

Fax: +66 (2) 134 3895

Email: reservation@bangkokair.com

## Lampang Airport Office

Lampang Airport

175 Sanarmbin 1 Rd.,Phrabaht, Lampang  
52000 Thailand.

Tel: +66 (54) 821-522

Fax:+66 (54) 821-521

Email: lprrpg@bangkokair.com

## Sukhothai Airport Office

99 Mu 4, Klongkrajong, Sawankaloke,  
Sukhothai 64110 Thailand

Tel: +66 (55) 647 224

Fax: +66 (55) 647 222

Email: thsrrpg@bangkokair.com

## Samui Chaweng Office

54/4 Mu 3, Bo Phud, Koh Samui,  
Suratthani 84320 Thailand

Reservation Center:

Tel: +66 (77) 601 300

Fax: + 66 (77) 422 235

Email: usmtopg@bangkokair.com



### **Phuket Airport Office**

Phuket International Airport, 3rd Floor,  
Phuket 83000 Thailand  
Tel: +66 (76) 205 400-2  
Fax: +66 (76) 327 114  
Email: hktrrpg@bangkokair.com

### **Krabi Airport Office**

Krabi International Airport Building 1,  
3rd Floor, 133 Mu 5, Nuaklong,  
Krabi 81130 Thailand  
Tel: +66 (75) 701 608-9  
Fax: +66 (75) 701 607  
Email: kbvrrpg@bangkokair.com

### **Pattaya Airport Office**

U -Tapao International Airport  
70 Mu 2, Pla, Banchang, Rayong 21130  
Thailand  
Tel: +66 (38) 245 599  
Fax: +66 (38) 245 979  
Email: utprrrpg@bangkokair.com

### **Singapore Airport Office**

Bangkok Airways Public Company Limited  
Changi Airport Terminal 1  
unit041-04F, Singapore 819142  
Tel: +65 6545 8481  
Fax: +65 6546 8982  
E mail: sinkkpg@bangkokair.com

### **Phuket Town Office**

158/2-3 Yaowaraj Rd.,  
Phuket 83000 Thailand  
Tel: +66 (76) 225 033-5  
Fax: +66 (76) 356 029  
Email: hkttopg@bangkokair.com

### **Hat Yai International Airport Office**

99 Moo 3, Klong La, Klong Hue Kong  
Songkha 90115 Thailand  
Tel: +66 (0) 7422 7427  
Fax: +66 (0) 7422 7426  
Email: hdykkpg@bangkokair.com

### **Trat Airport Office**

99 Mu 3, Tasom, Khao Saming,  
Trat 23150 Thailand  
Tel: +66 (39) 525 767-68  
Fax: +66 (39) 525 769  
Email: tdxrrpg@bangkokair.com

### **Kuala Lumpur Airport Office**

Address : Lot S5, Level 4 Main Terminal  
Building, Kuala Lumpur International  
Airport, 64000 Selangor Darul Ehsan,  
Malaysia  
Telephone Number : +60 387763670-71  
Fax : +60 387763673  
KULKKPG Mobile No. : +60 123018599,  
+60 183276104  
E-mail : Kulkkpg@bangkokair.com

### **Luang Prabang International Airport Office**

Luang Prabang International Airport  
(International Terminal)  
Hat Hien, Ban Hat Hien  
Luang Prabang, Lao PDR  
Tel: +856 (71) 253 253  
Fax: +856 (71) 253 253  
Fax: +66 (76) 327 114  
Email: hktrrpg@bangkokair.com

### **Yangon Airport Office**

Room No. 14/15 Departure Terminal,  
Yangon International Airport,  
Yangon, Republic of the Union of Myanmar  
Tel & Fax: +95 (1) 533 194

### **Siem Reap Town Office**

28,29 Eo, St. Sivutha, Phum Modol II,  
Sangkat Svay Dangkum,  
Srok/Khet, Siem Reap, Cambodia.  
Tel: +855 (23) 971 771, +855 (63) 965 422-3  
Fax: +855 (63) 965 424  
Email: reprrpg@bangkokair.com

### **Phnom Penh Airport Office**

Confederation De La Russie St.110,  
Phnom Penh International Airport,  
Phnom Penh, Cambodia  
Tel: +855 (23) 890 103, +855 (23) 971 771  
Fax: +855 (23) 890 518  
Email: pnhrpg@bangkokair.com

### **Chengdu International Airport**

Address : Chengdu Shuangliu International  
Airport Shuangliu, Chengdu, Sichuan, China  
Telephone Number : +86 182 8455 8721  
E-mail : ctukkpg@bangkokair.com

### **Luang Prabang Town Office**

57/6 Srisawangwong Rd.,  
District 3, Bann Xiengmuan,  
Luang Prabang, Lao PDR  
Tel: +856 (71) 253 334  
Fax: +856 (71) 253 335  
Email: lpqrrpg@bangkokair.com

### **Yangon Town Office**

0305 3rd FL., Sakura Tower  
339 Bogyoke Aung San Rd., Kyauktada Township,  
Yangon, Republic of the Union of Myanmar  
Tel: +95 (1) 255 122, +95 (1) 255 265  
Fax: +95 (1) 255 119  
E-mail: rgnrrpg@bangkokair.com

### **Siem Reap Airways International Office**

Address : 28,29 Eo, St. Sivutha, Phum Mobol II,  
Sangkat Svay Dangkum, Srok/Khet, Siem Reap,  
Cambodia  
Telephone Number : +855 63 965 427-8  
Fax : +855 63 965 425  
Fax: +66 (55) 647 222  
Email: thsrrpg@bangkokair.com

### **Phnom Penh Town Office**

No.61A, 214 Sangkat Beong Rang,  
Khan Don Penh, Phnom Penh, Cambodia  
Tel: +855 (23) 971 771, +855 (23) 966  
556-8  
Fax: +855 (23) 966 554  
Email: pnhrpg@bangkokair.com

### **Guilin Town Office**

Address : No. 41, Binjiang Road, Guilin  
541002, P.R. China



- 
- Operational Safety
  - Shareholders' Return on Investment
  - The Best Possible Products and Services
  - Human Resource Management and Development
  - Systems and Procedures
  - Serving Our Community

Bangkok Airways Public Company Limited  
99 Mu 14 Vibhavadirangsit Road,  
Chom Phon, Chatuchak, Bangkok 10900

Tel: 0-2265-5678  
Website: [www.bangkokair.com](http://www.bangkokair.com)  
Email: [ir@bangkokair.com](mailto:ir@bangkokair.com)