

Lead the Sky

One Report 2023
Asia Aviation Public Company Limited (AAV)





Lead and Make “On-Time” a National Agenda

Punctuality is crucial for all our undertakings and we make sure to plan and strive for on-time flights. In 2023, **Thai AirAsia was recognised by Cirium as the most on-time airline in Thailand.** We pushed “being on time” a national agenda through our commercial campaign, calling on everyone to be on time so we may progress together.





No.1 in Thailand with Most Extensive International Routes

Thai AirAsia is the leading airline in Thailand in terms of market share, with an average load factor of 90 percent.

This high percentage indicates that Thai people have a great deal of trust in our airline. Additionally, we have consistently expanded our international network to include destinations in China, India, ASEAN, South Asia, and even Japan, where we have been warmly welcomed.



Become a “Leading Sustainable Airline”

As we strive towards becoming a leader in sustainability, we have encountered various challenges that have only made us stronger and equipped us with better strategies to advance sustainability. In addition to generating profits, we prioritise our stakeholders and **manage sustainability responsibly across social, economic, and environmental spheres**. Our ultimate goal is to become a recognised leader in sustainability.



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Highlighted Accolades



Skytrax 2023 World Airline Awards

World's Best Low-Cost Airline
for 14th consecutive years



Cirium 2023

- Most On-Time Airline in Thailand with an On-Time Arrival rate of 82.52%
- Top 3 in Asia Pacific
- 7th among global low-cost carriers



CEO of The Year 2023 Awards by Bangkok Post

Mr. Santisuk Klongchaiya -
Best CEO in Resilient Leadership



Friendly Design Awards 2023

The only company to receive the
Organisation Promoting Employment
of People with Disabilities



12th Thailand Social Awards 2023

Best Brand Performance on Social Media :
Mass Transit



Highlighted Accolades



World Travel Awards (WTA) 2023 Asia & Oceania

- Asia's Leading Low-Cost Airline for eighth consecutive year
- Asia's Leading Low-Cost Airline Cabin Crew for seventh year



World Travel Awards (WTA) 2023 Grand Final

- World's Leading Low-Cost Airline for eleventh consecutive year
- World's Leading Low-Cost Airline Cabin Crew for seventh consecutive year



Brandage Magazine

2023 Thailand's Most Admired Brand
Category: Low Cost Airline



Thailand Corporate Excellence Awards 2023

Leading Organisation with Marketing Excellence Recognised by Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University (SASIN)



AirlineRatings.com

The world's safest low-cost carriers for highly level 7/7 rating



Key Financial and Operating Data

On-time Performance (Percent)



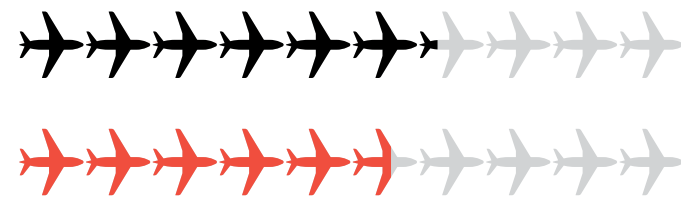
86
2019

83
2023

Aircraft (→ = 10 Aircraft)

63
2019

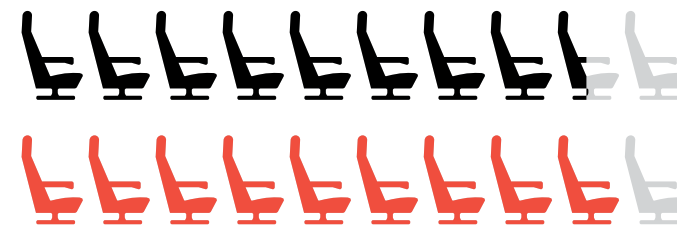
56
2023



Load Factor (✈ = 10 Percent)

85
2019

90
2023



Utilisation (Flight hours per day per aircraft)



12.3
2019

12.6
2023

Passengers Carried (Million)

22.1
2019

18.9
2023

13.0 Domestic 11.9

9.1 International 7.0

Average Stage Length (Kilometres per flight)



1,033
2019

1,094
2023

Ancillary (☑ = 10 Percent to revenues from sales & services)

18.7
2019

18.6
2023



Allstars (☑ = 1,000 Person)

5,974
2019

4,962
2023



Remark: 2019 represents the year before the COVID-19 pandemic



Breakdown of Costs and Expenses

% of Cost per Available Seat Kilometre (CASK)



⁽¹⁾ Since 2020, AAV has adopted TFRS 16 (Leases) which involves the recognition of aircraft and engine lease liabilities and amortisation of right-of-use assets and finance costs, rather than recognising rental expenses.

⁽²⁾ Only includes finance cost from TFRS 16



Financial Highlights

(Unit: Baht million)

For the year ended 31 December	2021	2022	2023
Statement of Comprehensive Income			
Revenues from sales and services	3,828	17,553	41,241
Profit (loss) from operating activities	(11,851)	(8,476)	2,785
Profit (loss) attributable to owners of the Company	(6,647)	(8,030)	466
Statement of Financial Position			
Total assets	71,208	64,686	67,794
Total liabilities	54,379	56,731	59,382
Equity attributable to owners of the Company	20,201	7,954	8,412
Total equity	16,829	7,954	8,412
Statement of Cash Flows			
Net cash flows from (used in) operating activities	(4,347)	564	6,239
Net cash flows from (used in) investing activities	1,284	(590)	(926)
Net cash flows from (used in) financing activities	7,314	(4,531)	(4,821)
Net increase (decrease) in cash and cash equivalents	4,250	(4,556)	492
Key Financial Ratios			
Net profit (loss) margin (%) ⁽¹⁾	(173.6)	(45.7)	1.1
Return on assets (%) ⁽²⁾	(9.6)	(11.8)	0.7
Return on equity (%) ⁽³⁾	(38.6)	(64.8)	5.7
Basic and diluted earnings (loss) per share (Baht)	(1.2985)	(0.6921)	0.0379

Remark:

(1) Net profit margin = Profit attributable to owners of the Company / Revenues from sales and services

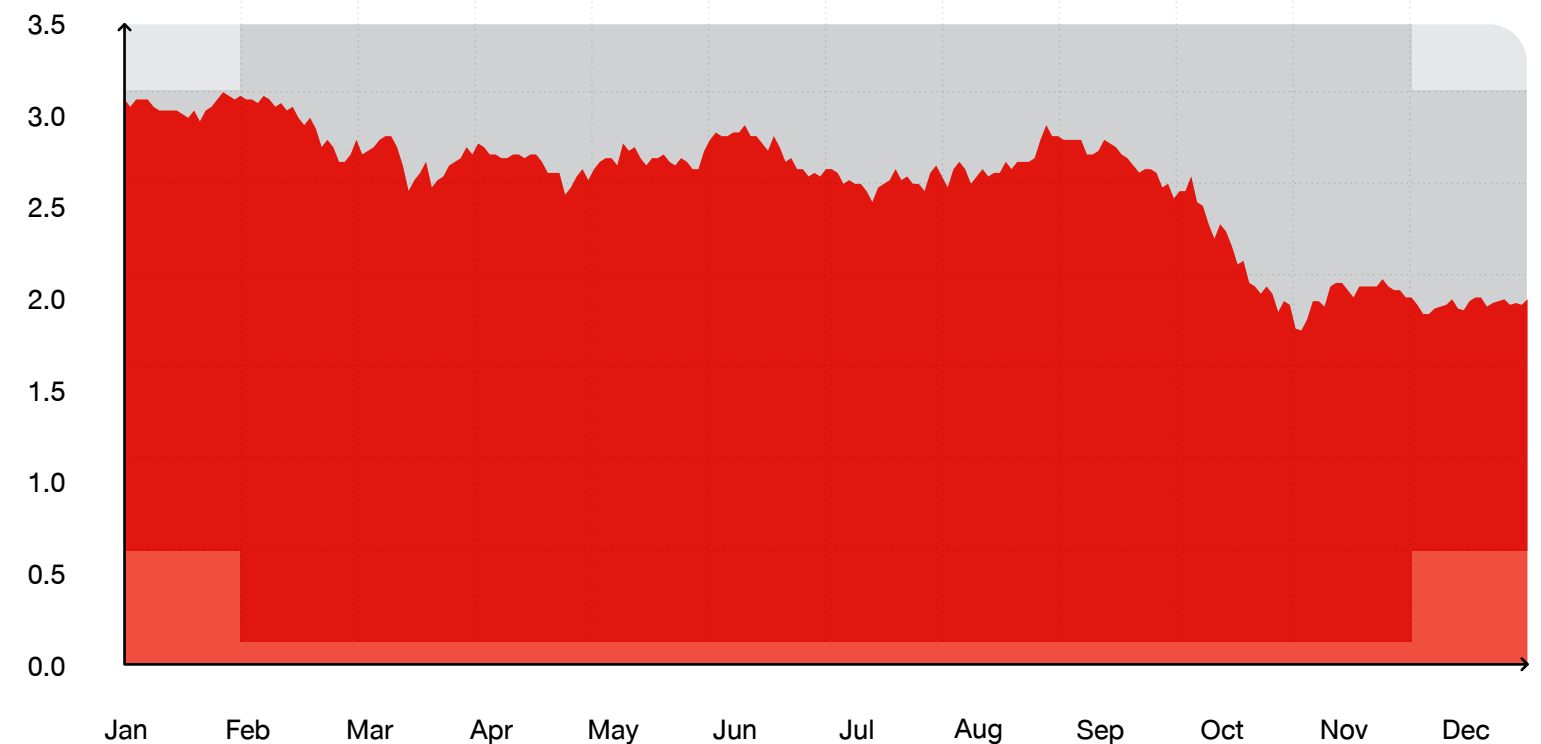
(2) Return on assets = Profit attributable to owners of the Company / Total assets (Average)

(3) Return on equity = Profit attributable to owners of the Company / Equity attributable to owners of the Company (Average)

Stock Information

Asia Aviation Public Company Limited

(Baht)

As of 28 December
2023 (Baht)

1.99

52 Weeks Price
(Baht)1.82
3.12Average Trading
Volume (Million Shares)

40.78

52 Weeks Trading
Volume (Million Shares)5.13
224.65



Message from Chairman of the Board



I am very pleased that we are now almost back to our peak performance,

by pushing our capabilities even further to keep up with the demands of our guests.

Year 2023 marked an important milestone for Thai AirAsia as we celebrated our 20th anniversary, after two wonderful decades of serving the nation and the region. It was also a reminder to all of us that in a highly regulated industry, Thai AirAsia has had to face a near constant stream of challenges.

Core to our ability to successfully overcome these challenges has been our perseverance and our ability to learn and adapt as an organisation. Air travel will continue to be in high demand across the world. The only way for the aviation industry is to move forward and Thai AirAsia will remain an integral player.

I am very pleased that we are now almost back to our peak performance, by pushing our capabilities even further to keep up with the demands of our guests. I would like to put a strong emphasis on the word “capability” because while many other major airlines scaled down their capacity by downsizing fleets and staff during the pandemic, Thai AirAsia decided otherwise by maintaining our fleet and manpower.

While retracting capability can be done within a few short months, reclaiming that same capability and capacity could be a very long process that takes up to a couple of years. I am very glad that we made the right decision and are now able to further build on our capability in the year 2024, when the aviation business is expected to grow on a very steep trajectory.

On behalf of the Board of Directors, Management and Allstars at Thai AirAsia, I would like to thank all our shareholders for your continued and unwavering support.

Vichate Tantiwanich
Chairman of the Board



Message from the Executive Chairman

Thai AirAsia is confident that our extensive network of destinations, high frequency of domestic and international flights,

large aircraft fleet and highly capable employees will put us in a strong position to fully support these policies.

The year 2023 was a watershed year for Thai AirAsia. Post-pandemic, the Thai government had successfully repositioned tourism as a key economic driver by rolling out urgent policies and measures in support of tourism. These included visa-free travel between Thailand and a number of key markets like China and India, promoting travel to secondary cities and expanding and developing several airports in support of Thailand becoming a hub for regional air transport and global aviation, and to be one of the five largest distribution centres in the world.

Regional Air Transport Hub

The government's drive to establish Thailand as a regional air transport hub aligns with AirAsia's plans, which aim to see Thailand becoming a strategically important aviation centre. These goals are based on Thailand's comprehensive readiness, from the country's position to its strength in the realms of tourism and investment and ability to attract travellers and those connecting through Thailand to other destinations in the region. More policies are likely to be implemented towards realising this mission, providing opportunities for tourism and other related businesses.

As a market leader, Thai AirAsia is confident that our extensive network of destinations, high frequency of domestic and international flights, large aircraft fleet and highly capable employees will put us in a strong position to fully support these policies. In 2023, we overcame the challenges by introducing routes to completely new markets that later proved to be popular. For 2024, we have been adding routes since the start of the year, flying Don Mueang to Okinawa, Kaohsiung and Shanghai. Using our Fifth Freedom right, we have also been able to land and receive more passengers in partner nations, adding more opportunities for flyers as well as improving our ability to effectively manage costs.

Thai AirAsia's 20th Anniversary

Now in our 20th year, Thai AirAsia is akin to a young adult but equipped with a wealth of experience. We have overcome many challenges, from the economic and political turbulences, to the prolonged pandemic. Through all of these events, we were able to not only survive but to emerge stronger and better than before.

A clear recovery for Thai AirAsia was evident in 2023 with consecutive positive EBITDA figures every quarter that resulted in a net profit for the year. I wish to thank all of our Allstars, the Management, the Board and other stakeholders for all their hard work, support and cooperation towards Thai AirAsia. We will not stop here, we are bursting with energy and motivation, and are ready to achieve sustainability and positive returns to reward the trust that all our stakeholders have placed in us.

Tassapon Bijleveld
Executive Chairman





Message from the Chief Executive Officer

**Financial management
will be our key priority
in 2024,**

**along with an emphasis on effective
flight operations management,
especially in terms of on-time
performance.**

The year 2023 was the first post-pandemic year that the Company was able to proceed at full capacity. We learned from the experience and set our sights on good returns in spite of the many difficult to control external factors.

We are Raring to Go

The many uncertainties posed by the fluctuations in the global economy, fuel prices and currency exchanges, soaring operational costs for maintenance and operation in airports around the world have made us more adaptable and resilient as an organisation. We also had to deal with issues relating to our supply chain, including delays in aircraft repair and maintenance caused by global shortage of parts, which has all affected our ability to manage our fleet as planned. All this taught us to be more flexible and be prepared with backup plans to avoid any interruption to our operations and business.

Despite all of these challenges, Thai AirAsia is proud to be able to uphold its largest market share in Thailand, reaching an all-time high of 37% in 2023. Internationally, we returned to our normal pre-pandemic operation in almost all markets excluding only China, where we believe the visa-free travel measure will lead to gradual normalisation of air travel to pre-pandemic levels.

Santisuk Klongchaiya
Chief Executive Officer

Year of Strong Returns

Financial management will be our key priority in 2024, along with an emphasis on effective flight operations management, especially in terms of on-time performance. Thai AirAsia is proud to have been rated the most on-time airline in Thailand and third in Asia-Pacific by aviation analyst Cirium, further boosting our customer service excellence and brand image.

Thai AirAsia looks forward to launching more new routes as well as the delivery of energy-efficient and eco-friendly Airbus A321 planes in 2024, in line with our sustainability philosophy of Good, Green, Growth.





Board of Directors

Asia Aviation Public Company Limited and Thai AirAsia Company Limited

As of 31 December 2023



1 Mr. Vichate Tantiwanich

Chairman of the Board/ Chairman of the Audit Committee/ Independent Director



2 Mr. Veerayooth Bodharamik

Director/ Audit Committee/ Independent Director



3 Mr. Dinesh Nambiar

Director/ Audit Committee/ Independent Director



4 Mr. Tassapon Bijleveld

Director



5 Mr. Santisuk Klongchaiya

Director



6 Mr. Phairat Pornpathananangoon

Director



Board of Directors

Asia Aviation Public Company Limited and Thai AirAsia Company Limited

As of 31 December 2023



7 Dato' Mohamed Khadar Bin Merican

Director



8 Mrs. Pattra Boosarawongse

Director



9 Mr. Rozman Bin Omar

Director



10 Mr. Nuttawut Phowborom

Director



11 Mr. Yuthapong Ma

Director



12 Mr. Sirot Setabandhu

Director/ Independent Director



Management Team

Asia Aviation Public Company Limited

As of 31 December 2023



1 **Mr. Tassapon Bijleveld**
Executive Chairman

2 **Mr. Santisuk Klongchaiya**
Chief Executive Officer

3 **Mr. Phairat Pornpathananagoon**
Chief Financial Officer



Management Team

Thai AirAsia Company Limited

As of 31 December 2023



- 1 **Mr. Tassapon Bijleveld**
Executive Chairman

- 2 **Mr. Santisuk Klongchaiya**
Chief Executive Officer

- 3 **Mr. Phairat Pornpathananagoon**
Chief Financial Officer

- 4 **Miss Witchunee Kuntapeng**
Head of Guest Service

- 5 **Mr. Pipat Khunprakan**
Head of Innovation Commercial
and Technology

- 6 **Miss On-anong Methapipatkul**
Head of Inflight Services

- 7 **Mr. Chatupong Hongwiset**
Head of Ramp
and Ground Service Equipment

- 8 **Sqn.Ldr. Damrong Phaspipatkul**
Head of Flight Operation



Management Team

Thai AirAsia Company Limited

As of 31 December 2023



9 Mr. Krid Pattanasan
Head of Government Relations

10 Mr. Phol Poompuang
Head of Corporate Safety

11 Miss Topaz Subunruk
Head of Business Development

12 Mr. Chalermrit Saisakulsri
Head of Operational Quality Assurance

13 Vacharavadh Piyarattanamongkol EdD.
Head of Learning
and Leadership Solutions

14 Miss Tansita Akarittipirom
Head of Commercial

15 Mrs. Thiladee Pantumchinda
Head of People

16 Mr. Bandit Pornsarote
Head of Engineering



Public Relations Activities 2023

In Time for End of Year Travel

Higher Frequency for Domestic Routes

Affirming Extensive Network

[Read more ↗](#)

Rolls out “Red Carpet” service

Offer guests with VIP experience Privileges Access “Coral Executive Lounge”

and many more

[Read more ↗](#)

Fly Direct to India

Bangkok (Don Mueang) – Ahmedabad Bangkok (Don Mueang) – Guwahati

Marks the ninth Thai-Indian connection

[Read more ↗](#)

Passport Mission

Travel for Points with Air-Venture

Redeem Stamps for Prizes

[Read more ↗](#)

AirAsia Heralds

Visa-Free Travel between China

Adds “Don Mueang– Shanghai”

For a Total 11 Routes

[Read more ↗](#)



On Site Activities

Joining 15 Local Festivals Strengthening Bonds with Locals and the State

[Read more ↗](#)





Public Relations Activities 2023

AirAsia Ready to Work with the State
Takes on Mission to Return Thais Home
Safely Flying Citizens back from Israel

[Read more ↗](#)

New Route
City Transfer to Lampang and Phrae
Flights and Shuttle from Airport

[Read more ↗](#)

New Destination, fly direct
Bangkok (Don Mueang) - Kaohsiung
Travel to Taiwan on 3 Routes

[Read more ↗](#)

Signs on 56 Disabled Employees
Providing Opportunities to the Visually Impaired Massage and Their other Skills

[Read more ↗](#)

AirAsia Pushes
Being “On Time” as a National Agenda
New Ad Promotes Punctuality

[Read more ↗](#)



Joins with TAT for New Livery
Amazing New Chapters on Second Aircraft Promoting Travel to Secondary Cities

[Read more ↗](#)





Investor Relations Activities 2023

The Investor Relations Department's primary responsibility is to communicate the Company's operational information to all groups of investors, adhering to principles of transparency, equality, and timeliness. The Company's executives support and recognise the importance of investor relations work and regularly participate in meetings with investors. Additionally, the Investor Relations Department is responsible for analysing and compiling useful information from outside the organisation to present to the Company's board and executives, such as industry competitor analysis, shareholder structure, stock price movements, etc., to aid in various business decisions.

In 2023, the Investor Relations Department emphasised providing information to investors more attentively following the significant easing of the COVID-19 situation and the rapid recovery of the Company's business. In addition to hosting quarterly online meetings with institutional investor groups, the Investor Relations Department collaborated with various securities companies. This collaboration enabled Company executives to share information with investors directly at their offices, ensuring a rotation among different securities firms to maintain fairness. Moreover, the department actively engaged in events organised by the Stock Exchange of Thailand to connect with all categories of investors, with a particular focus on retail investors.

Activity Highlights in 2023:

March:

Investor Day 2023

at AirAsia Academy, offering investors and stakeholders the opportunity to attend presentations by executives and participate in pilot and crew training activities.



[Click to watch the video replay.](#)

May:

Meeting with local funds in Thailand

organised by Kasikorn Securities.



August:

Thailand Focus 2023

event organised by the Stock Exchange of Thailand.





Investor Relations Activities 2023

Activity Highlights in 2023:

September:
Online presentation on

Sustainability in Aviation

to enhance understanding of sustainability
issues in the aviation industry for investors
and interested parties.



Click to watch the video replay.



Investors can find more information about the Investor Relations
Department at <https://www.aavplc.com/en/investor-relations/home>
or contact us at taa_investorrelations@airasia.com.

November:

Company visit event at AirAsia Academy

organised by Pi Securities Pcl.,
targeting retail investors
and high-net-worth investors.



November:

The Investor Relations Department
was honored to receive the

Outstanding Investor Relations

award at the SET AWARDS 2023, organised
by the Stock Exchange of Thailand.



December:

Investor Relations
was nominated for the

Best Investor Event

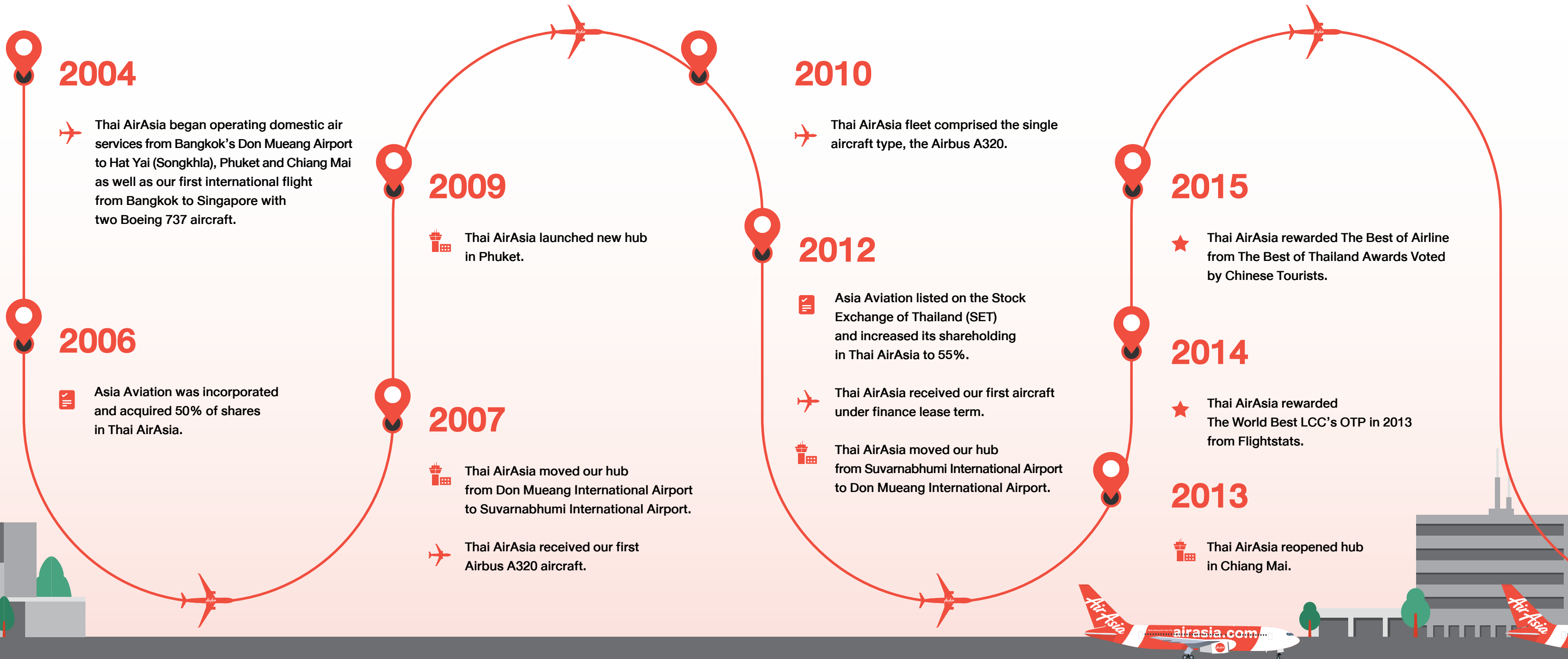
from IR Magazine
in the IR Magazine Awards
South East Asia 2023





Key Milestones

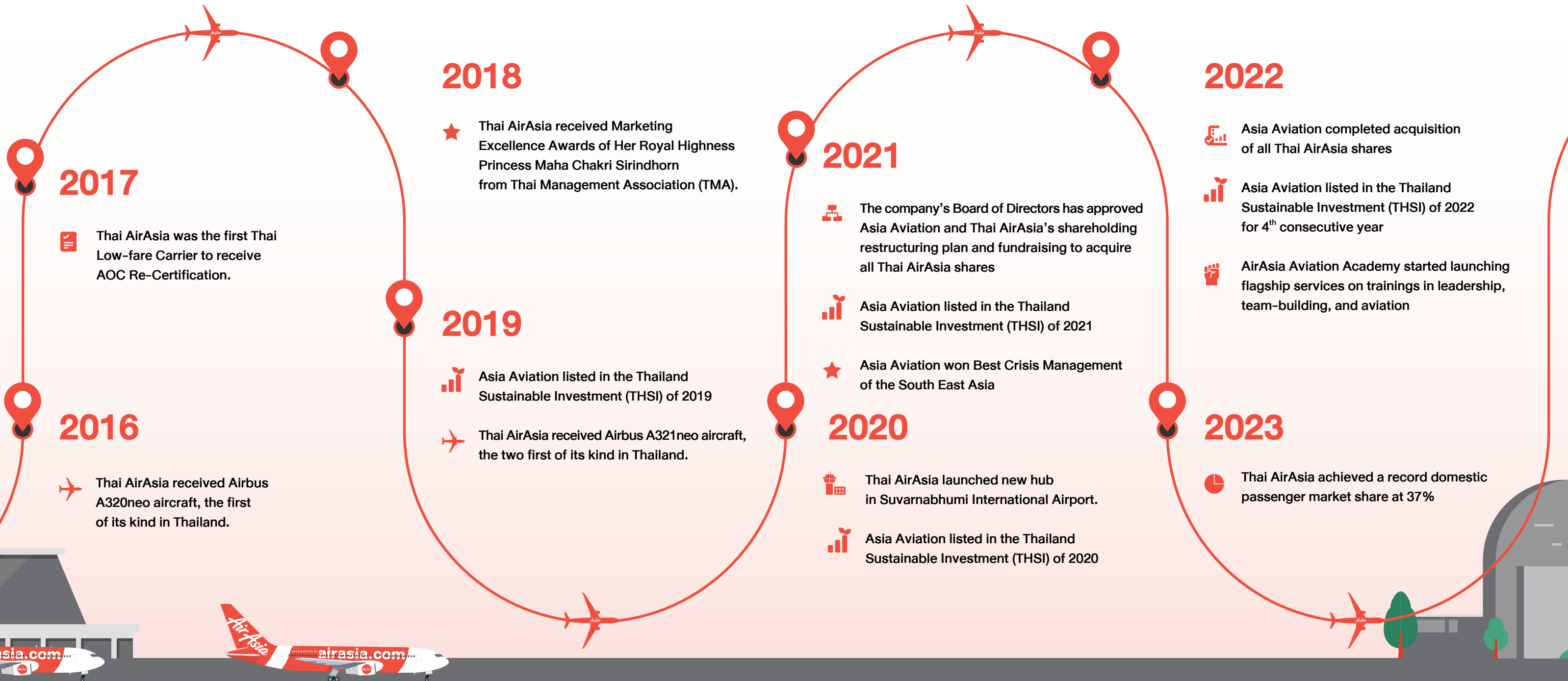
Asia Aviation and Thai AirAsia





Key Milestones

Asia Aviation and Thai AirAsia



2017

Thai AirAsia was the first Thai Low-fare Carrier to receive AOC Re-Certification.

2016

Thai AirAsia received Airbus A320neo aircraft, the first of its kind in Thailand.

2018

Thai AirAsia received Marketing Excellence Awards of Her Royal Highness Princess Maha Chakri Sirindhorn from Thai Management Association (TMA).

2019

Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2019

Thai AirAsia received Airbus A321neo aircraft, the two first of its kind in Thailand.

2021

The company's Board of Directors has approved Asia Aviation and Thai AirAsia's shareholding restructuring plan and fundraising to acquire all Thai AirAsia shares

Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2021

Asia Aviation won Best Crisis Management of the South East Asia

2020

Thai AirAsia launched new hub in Suvarnabhumi International Airport.

Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2020

2022

Asia Aviation completed acquisition of all Thai AirAsia shares

Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2022 for 4th consecutive year

AirAsia Aviation Academy started launching flagship services on trainings in leadership, team-building, and aviation

2023

Thai AirAsia achieved a record domestic passenger market share at 37%



Business Structure and Operations

(GRI 2-1, 2-6)



Business Structure and Operations

Vision

To be the leading sustainable travel technology company in Asia providing more than just affordable flights

Mission

- To provide the highest quality product, embracing technology to reduce cost and enhance service
- To care for all our stakeholders, from Allstars, guests, business partners, investors to communities and governments
- To create jobs across the region and be the best company to work for where dreams come true
- To create a globally recognised, sustainable ASEAN brand focused on adding value to the economy, society and environment



Company Policy and Business Overview

Business Overview

Asia Aviation Public Company Limited (“Asia Aviation” or “Company”) is a holding company which currently makes an investment only in Thai AirAsia. Thus, the business overview shall be deemed at the operating company Thai AirAsia.

Thai AirAsia has the vision of being the leading sustainable travel technology company in Asia, providing more than just affordable flights. Our mission is to deliver top-notch products while embracing technology to lower costs, improve service, and show care to all stakeholders including employees or Allstars, customers, business partners, investors, communities, and governments. We aim to create jobs in the region and become the best place to work where dreams come true. We strive

to build a sustainable, globally recognised ASEAN brand that contributes to the economy, society, and environment and provides opportunities for everyone to fly following our slogan “Now Everyone Can Fly”.

Furthermore, Thai AirAsia focuses on providing high-frequency service on short-haul international and domestic routes within the four and a half hours flight time from our hubs in Bangkok (Don Mueang International Airport), Bangkok (Suvarnabhumi Airport), Phuket, and Chiang Mai. This enables us to reach the population in Southeast Asia, South Asia, and southern China and Japan. We cater to both leisure and business travellers by focusing on affordable airfares and reliable on-time performance.

Thai AirAsia follows the business model of AirAsia Berhad (“AAB”) in Malaysia, operating as a low-fare airline under the “AirAsia” brand. Our single-class, single-family fleet configuration, point-to-point operations, high aircraft utilisation, effective distribution channels, loyalty program, and comprehensive route network give us a cost advantage over other Thai airlines and many other low-cost carriers (LCC) globally. Our cost advantages, competitive prices, strong branding and marketing, and dependable service have driven our continued growth since our establishment in 2004.



Background

Asia Aviation was incorporated on 14 February 2006 as a company limited with a registered capital of Baht 410,000,000, being common shares of 41,000,000 shares at the par value of Baht 10 per share.

The Company is a holding company, which makes an investment only in the low-fare carrier business under Thai AirAsia Company Limited (“Thai AirAsia”), holding 50 percent during that period.

On 21 June 2007, the management team, consisting of Chief Executive Officer and high-level management personnel, did a buyout on Asia Aviation from the shareholders at that time as the management team had foreseen the potential growth of Thai AirAsia.

In November 2011, Asia Aviation acquired an additional 1 percent shareholding from Mr. Tassapon Bijleveld and held 51 percent in Thai AirAsia. Asia Aviation then became a public company on 26 December 2011 with a registered capital of Baht 485,000,000 and a paid-up capital of Baht 410,000,000, being common shares of 4,100,000,000 shares at the par value of Baht 0.10 per share.

Asia Aviation was listed on the Stock Exchange of Thailand on 31 May 2012 under the ticker symbol “AAV” with the fully paid-up capital. The Company used the proceeds from the Initial Public Offering (IPO) to increase its share in Thai AirAsia to 55 percent by subscribing to newly issued shares of the airline.

Thai AirAsia, a joint venture between Asia Aviation, who held 51 percent shareholding in Thai AirAsia (Pre-IPO), and AirAsia Aviation Group Limited (“AAAGL”) (formerly AirAsia Investment Ltd.), who held 49 percent, was incorporated on 19 September 2003 to operate a low-fare airline business with a registered capital of Baht 400,000,000. AAAGL is a holding company wholly owned by AAB, a listed company in Bursa Malaysia who operates a low-fare carrier AirAsia in Malaysia. On 29 May 2012, Thai AirAsia increased its registered capital to Baht 435,555,600, being the common shares of 43,555,560 shares at the par value of Baht 10 per share. Asia Aviation has subscribed to the newly issued shares, raising its shareholding to 55 percent while AAAGL was diluted to 45 percent.

Capital A Berhad (“Capital A”) (Formerly AirAsia Group Berhad) was established on 16 April 2018 and has assumed the listing status of AAB, holding 100 percent of AAAGL’s stake.

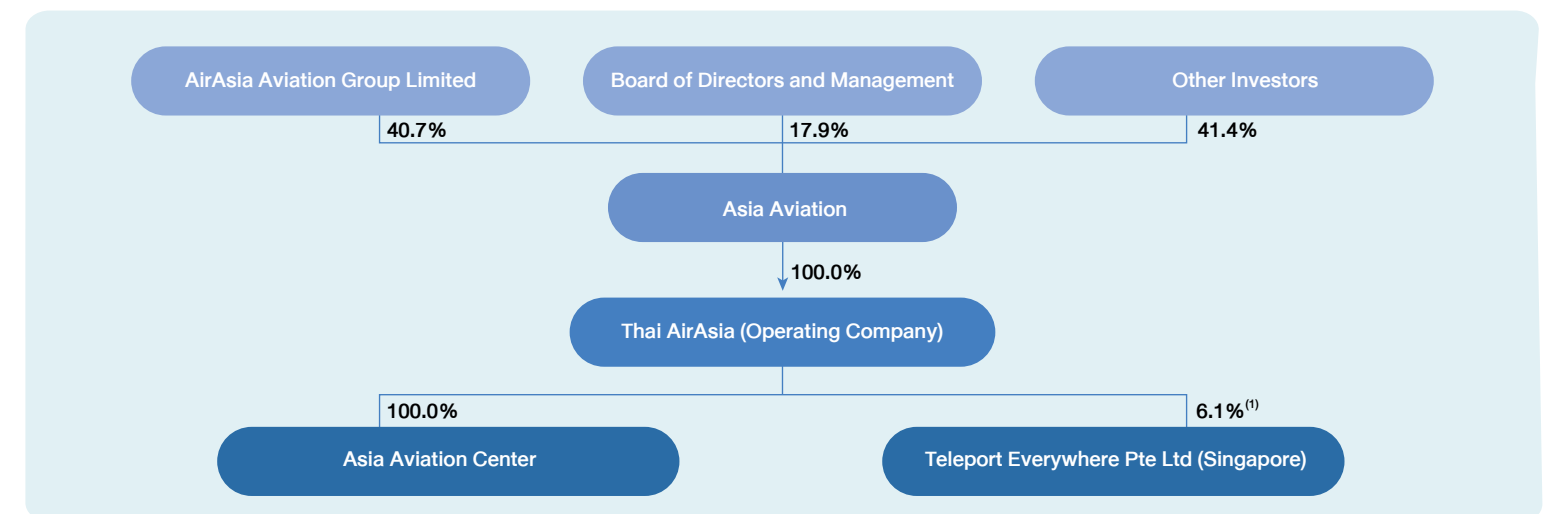
Thai AirAsia established a wholly-owned subsidiary, Asia Aviation Center Company Limited on 27 January 2021, to be the academy institution of learning and competency development for aviation tourism and hospitality industries.

Due to the COVID-19 pandemic, the Extraordinary General Meeting of Shareholders No. 1/2021 of Asia Aviation, held on 26 November 2021, resolved to approve the allocation of newly-issued ordinary shares and the issuance and offering of Convertible Bonds in a Private Placement and Right Offering. The net proceeds from such transitions were Baht 13,805.42 million (after deducting expenses in connection with the offering). The purpose of utilisation of capital increase approved by the Shareholders’ Meeting were to paying off loans and interest from financial institutions, paying for the purchase of the

remaining shares in Thai AirAsia, raising capital in Thai AirAsia and/or lend to Thai AirAsia for it to repay the long-term bonds including interest, and use as working capital. Asia Aviation began the Shareholding Restructuring Plan on 8 December 2021 by increasing its shareholding in Thai AirAsia from 55.0 percent to 69.2 percent and purchased the remaining 30.8 percent of the shares to solely hold 100 percent shares in Thai AirAsia on 20 January 2022, spending approximately Baht 7,800 million.

Investment Structure

Investment structure as of 11 March 2024 is as follows;



⁽¹⁾ The remainder is held by companies under Capital A

Business Operation and Relationship Between Thai Airasia and Capital A Berhad

Thai AirAsia receives support from Capital A in many areas, including the permission to be a sole airline operator in Thailand to use AirAsia as a trade name for the business operation, access to market knowledge, and customer services. Presently, Thai AirAsia is leasing its aircraft from AirAsia (Mauritius) Ltd. (“AAM”), an AAB’s subsidiary. Thai AirAsia also relies on online sales channels from AirAsia Com Travel Sdn Bhd (“AACOM”) and uses AirAsia Sea Sdn. Bhd.’s (“AASEA”) joint support department. The Company’s main software is centred in Kuala Lumpur, Malaysia.

Thai AirAsia also has access to spare parts kept provided by AAB and Asia Digital Engineering Sdn. Bhd. (“ADE”), a subsidiary of Capital A. Likewise, Thai AirAsia benefits from airport ground services provided by members of AAAGL in certain airports, as well as other services such as fuel hedging, ticket reservation software and airasia rewards. Despite these benefits, decisions to engage in such transactions are made by Thai AirAsia which must pass the resolution from the Board of Directors and the Audit Committee.



Nature of Business

As Asia Aviation is a holding company that solely invests in Thai AirAsia and does not generate revenue from any other operations materially, the revenue breakdown shall be analysed at the level of the operating company, Thai AirAsia. The revenue breakdown of Thai AirAsia, as reflected in the financial statements for the periods ending 31 December 2021-2023, is presented in the following information.

Revenue Breakdown	For the year ended 31 December					
	2021		2022		2023	
	Baht million	%	Baht million	%	Baht million	%
Revenues from sales and services						
Passenger service revenues ⁽¹⁾	3,174.2	70.4	14,177.9	77.5	33,463.3	77.9
Baggage handling and other service fees	464.1	10.3	2,959.7	16.2	6,945.4	16.2
Charter flight revenues	16.3	0.4	92.3	0.5	145.4	0.3
In-flight revenues	61.7	1.3	217.6	1.2	487.2	1.1
Freight revenues	109.4	2.4	97.1	0.5	194.0	0.5
Advertising revenues	2.8	0.1	8.7	0.1	6.2	0.1
Total revenues from sales and services	3,828.5	84.9	17,553.3	96.0	41,241.5	96.0
Other income						
Gain on exchange	2.2	0.1	-	-	672.3	1.6
Unclaim airport charge	187.6	4.2	82.8	0.4	449.3	1.0
Gain on expired credit shell	-	-	2.5	0.1	279.2	0.7
Gain on derivative	391.2	8.7	-	-	70.9	0.2
Gain from early termination of aircraft rental	-	-	422.9	2.3	-	-
Other income	98.1	2.1	228.0	1.2	236.2	0.5
Total other income	679.0	15.1	736.2	4.0	1,707.9	4.0
Total revenues	4,507.5	100.0	18,289.5	100.0	42,949.4	100.0

⁽¹⁾ Passenger service revenues consist of fuel surcharge

Asia Aviation and Thai AirAsia's Business

Asia Aviation operates as a holding company, which currently only holds an investment in Thai AirAsia.

Thai AirAsia operates a low-fare airline business with the Airbus A320 family, including A320 and A321, generating revenues from scheduled passenger services and ancillary services.

1. Scheduled Passenger Services

Thai AirAsia provides scheduled passenger air travel services at fares lower than the one offered by full-service airlines. However, such tickets do not include services such as baggage fees, seat selection fees, on-board food and beverages and other services. Hence, passengers could pay for those services (frills), in which the revenue will be recorded under the ancillary services. Thai AirAsia consistently monitors our on-time performance ("OTP") and maintains an excellent record of punctuality, with 83 percent of our flights departing within 15 minutes of the scheduled time in 2023.



%	Category
77.9	Passenger service revenues
16.2	Baggage handling and other service fees
0.3	Charter flight revenues
1.1	In-flight revenues
0.5	Freight revenues
0.1	Advertising revenues
1.6	Gain on exchange
1.0	Unclaim airport charge
0.7	Gain on expired credit shell
0.2	Gain on derivative
-	Gain from early termination of aircraft rental
0.5	Other income

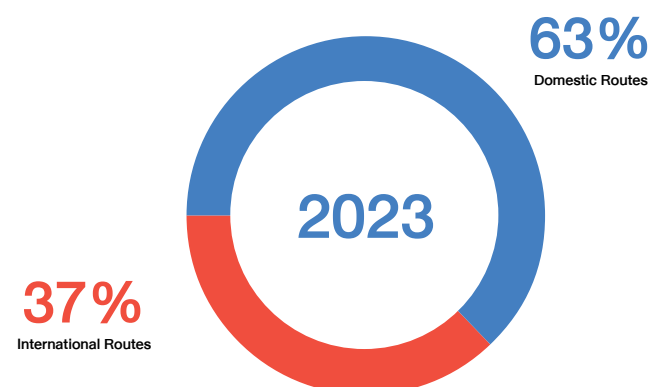




In 2023, Thai AirAsia carried 18.9 million passengers, with 63 percent travelling on domestic routes and 37 percent on international routes. Operating Data of Thai AirAsia is shown with the details below.

Operating Statistics	For the year ended 31 December			Operating Statistics	For the year ended 31 December		
	2021	2022	2023		2021	2022	2023
Capacity (million seats)	4.3	11.9	20.9	Number of stages flown	24,011	65,308	114,571
Passengers carried (million)	2.9	9.9	18.9	International	328	13,249	45,047
Load factor (%) ⁽¹⁾	68	84	90	Domestic	23,683	52,059	69,524
ASK (million) ⁽²⁾	3,002	10,308	22,945	Average stage length (kilometre) ⁽⁸⁾	688	864	1,094
RPK (million) ⁽³⁾	2,083	8,627	20,262	Aircraft utilisation (block hours per day) ⁽⁹⁾	5.6	9.6	12.7
Average fare (Baht) ⁽⁴⁾	1,090	1,434	1,780	Ancillary revenue (Baht in millions)	651	3,319	7,676
Revenue per ASK (Baht) ⁽⁵⁾	1.28	1.70	1.80	Ancillary revenue per passenger (Baht)	222	334	407
Cost per ASK (Baht) ^(6,12)	4.51	2.62	1.81	Fuel consumption (million barrel)	0.53	1.74	3.74
Cost per ASK (non-fuel) (Baht) ^(7,12)	4.04	1.81	1.14	Company's average market jet fuel price (USD per barrel) ⁽¹⁰⁾	72.6	124.4	104.6
Number of aircraft at period end	60	54	56	On time performance (%) ⁽¹¹⁾	97	92	83

Thai AirAsia carried 18.9 million passengers



⁽¹⁾ Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers

⁽²⁾ Available seat kilometres, which is the total number of seats available on all flights multiplied by the number of kilometres these seats were flown

⁽³⁾ Revenue passenger kilometres, which is the number of paying passengers carried on all flights multiplied by the number of kilometres these seats were flown

⁽⁴⁾ Calculated as Thai AirAsia's total passenger revenues divided by total number of passengers carried

⁽⁵⁾ Calculated as Thai AirAsia's revenues divided by ASK

⁽⁶⁾ Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding other expenses) divided by ASK

⁽⁷⁾ Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding other expenses) less fuel costs divided by ASK

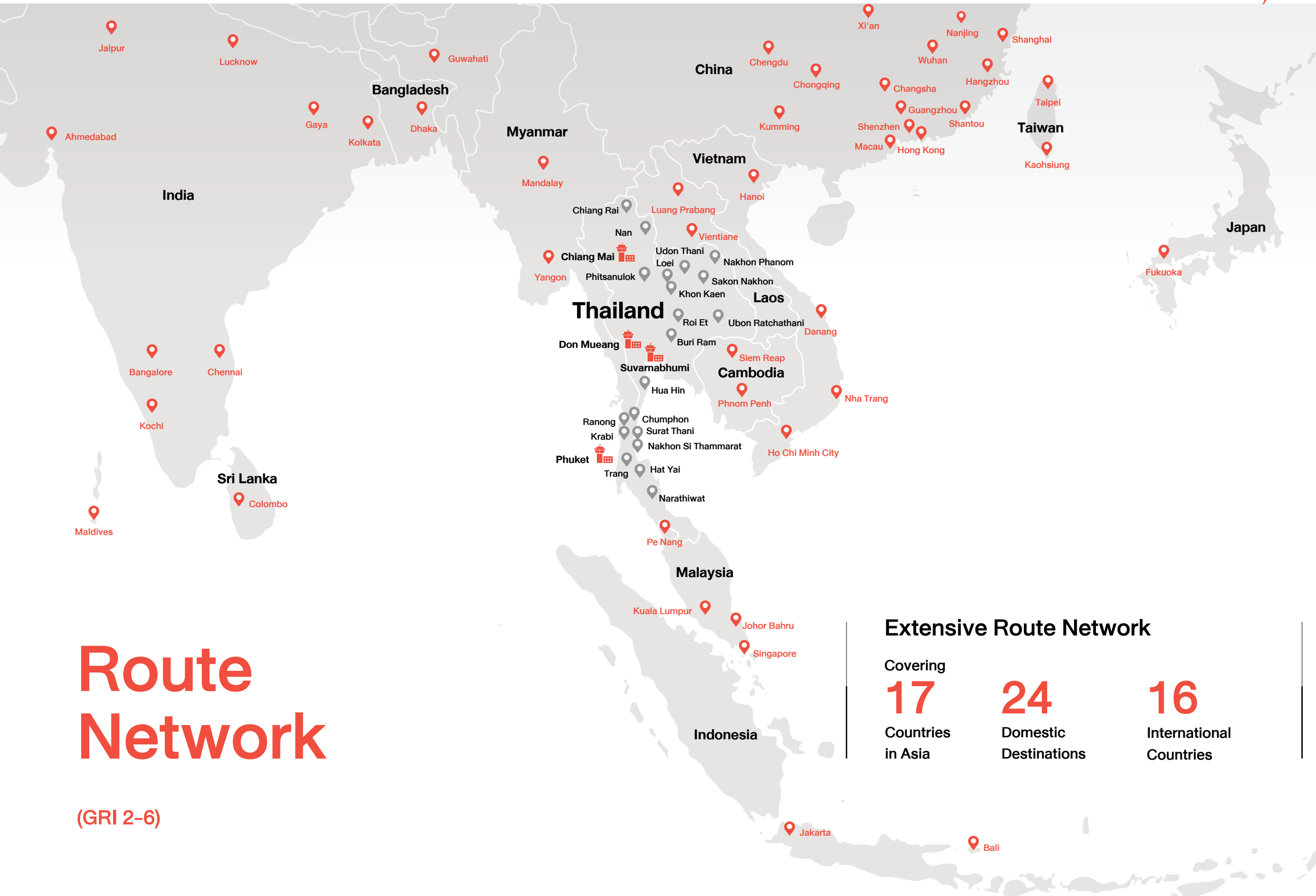
⁽⁸⁾ Represents the average number of kilometres flown per flight

⁽⁹⁾ Represents the average block hours per day per aircraft during the relevant period. Block Hours is calculated by measuring the duration between the time of departure of an aircraft and the time of arrival at its Destination.

⁽¹⁰⁾ Calculated as average fuel price of Jet kerosene for the period (MOPS price)





⁽¹¹⁾ A flight is deemed "on time" if the actual departure time is no more than 15 minutes of the scheduled departure time.



⁽¹²⁾ Reclassification of the comprehensive income statements.



Thai AirAsia's Route

Operation Hubs

-  Don Mueang
-  Suvarnabhumi
-  Phuket
-  Chiang Mai

-  International Route
-  Domestic Route

Route Network

(GRI 2-6)

Extensive Route Network

Covering

17

Countries in Asia

24

Domestic Destinations

16

International Countries

Routes

89

33

Domestic

56

International



1.1 Network and Schedules

Thai AirAsia focuses on short-haul routes to airports in and around major populated centres and travel destinations, typically operating within a radius of up to 4,300 kilometres and flight duration of up to five and a half hours from the hub. Thai AirAsia route network offers frequent point-to-point services and is not scheduled in parking our aircraft at airports overnight other than our four hub airports comprising Bangkok (Don Mueang), Bangkok (Suvarnabhumi), Phuket, and Chiang Mai as of 31 December 2023.

In 2023, our extensive route network reached a total of 17 countries in Asia, covering 24 domestic destinations and 16 international countries, along with 33 domestic and 56 international routes totalling 89 routes. With our extensive route network, our customers have access to the combined route network of the airlines under Capital A in countries such as Malaysia, Indonesia, and the Philippines.

1.2 Network Expansion

When considering adding a new route to our network, Thai AirAsia takes into account factors such as potential load factors, population density, economic factor and tourism industry at the point of departure and destination, current and potential competition, airport fees, traffic rights and distance. This process of opening new routes typically takes three months and those new routes are to be approved by Thai AirAsia's top executives as part of their approval of Thai AirAsia's budget. If a new route is not profitable after a trial period of between six to eight months, we either lower the frequency of the route or suspend or cancel the route.



The year 2023 continued to be challenging for the aviation industry. Although China had announced the reopening of the country in the early part of the year, the number of Chinese tourists travelling abroad, including to Thailand, which was a primary destination for Chinese tourists, recovered more slowly than tourists from other regions, mainly due to internal factors in China. In response, the Company had anticipated these challenges and allocated flight capacity to appropriately accommodate Chinese tourists. This included an increased focus on expanding flight capacity to domestic markets and the South Asian region, both to the main and secondary cities. Additionally, the Company supported the growth of fly-thru passenger traffic for both domestic and international flights by increasing flights at Suvarnabhumi Airport, enhancing seamless travel connections between Thai AirAsia and Thai AirAsia X.

1.3 Application for Flight Operation Permission and Approval of Fare Rates

1.3.1 Application for Scheduled Services according to Seasonal Flight Schedules

In conducting commercial scheduled air services according to seasonal flight schedules, airlines in Thailand must apply for flight operation permission for both domestic and international routes. The steps are as follows:

(1) Application for flight route allocation from the Civil Aviation Authority of Thailand (CAAT):

For planning scheduled services on any route, whether domestic or international, airlines must always obtain route allocation permission from the Civil Aviation Authority of Thailand (CAAT). The CAAT will consider documents and evidence submitted for route allocation as per CAAT's announcement regarding flight route allocation criteria¹, such as flight operation plans, aircraft utilisation plans, feasibility studies of the proposed routes for allocation, contingency plans for flight cancellations and delays, and statistics of flight cancellations and delays over the past six months, along with other documents. For the allocation of domestic flight routes, the CAAT will consider granting route allocation of three types based on the annual passenger volume: main routes, secondary routes, and tertiary routes. For the allocation of international flight routes, the CAAT grants permission by considering air traffic rights, the number of seats offered by the flights, flight frequency, and the routes specified according to the agreements on air services between Thailand and the partner countries.

(2) Requesting Various Permissions from the Civil Aviation Authority of the Destination Country

For international flights to any destination country, airlines must obtain several licences such as an Operating Permit or a Foreign Air Operator Certificate. The validity of these licences varies according to the internal regulations of each country.

¹Announcement from the Civil Aviation Authority of Thailand on the Criteria for Allocating Flight Routes to Licensed Air Transport Operators, B.E. 2560 (2017)



(3) Requesting Airport Slot Times

For every flight, airlines must obtain permission for airport slot times (Slot), which depends on the airport's density. The density of airports is categorised into 3 levels:



TIER 1

Airports that are not dense and do not require slot allocation. Airlines must submit requests to the airport or relevant agencies for approval of arrival/departure times.



TIER 2

Airports that are dense at certain times of the day and require facilitation for slot allocation at those airports.



TIER 3

Airports that are dense at all times and require specific agencies for slot allocation, such as Slot coordinators.

1.3.2 Approval of Airfare Rates and Various Fees

The approval of airfare rates and various fees for international routes depends on the terms of the air service agreements ("Agreements") between Thailand and partner countries, as well as the internal regulations of the destination countries. The agreements may specify that airlines must seek fare approval from regulatory bodies, which might require approval from both the CAAT and the destination country's authority, or just from the origin country. However, if the destination country's regulations mandate it, such as that in Japan, airlines must obtain fare approval from that country's agency before ticket sales. For domestic routes, especially those with regulated fare ceilings, airlines must always receive approval from the CAAT for setting maximum fare rates. Budget airlines are capped at a fare rate of Baht 9.40 per kilometre, while full-service airlines are capped at Baht 13 per kilometre. However, for inter-regional routes, such as Chiang Mai to Surat Thani or Chiang Mai to Hua Hin, there is no fare ceiling imposed.

(4) Requesting Permission for Seasonal Flight Operations

After obtaining Slot approval, airlines must apply for permission to operate flights for that particular flight season. Airlines must obtain this permission (Landing permit) before operating any flight

2. Ancillary Services

Thai AirAsia provides various ancillary services to the passengers, ranging from the services before boarding, in-flight services, to other services in relation to our air passenger services. These services generate another stream of revenue in addition to Thai AirAsia's core revenue from scheduled passenger service. Ancillary revenue accounted for 16 percent, 19 percent, and 19 percent of revenues from sales and services in 2021, 2022, and 2023 respectively. The ancillary services are categorised as below.

2.1 Ancillary Services Before Boarding and Fees

Thai AirAsia offers a range of products and services to passengers on airasia website and at sales counter as follows:

- **Checked Baggage:** Baggage charges are based on the weight of the baggage passengers wish to check-in and also upon the flight hour, timing of purchase and travel period. Pre-booking of the checked baggage at the time of the reservation will bring about lower fees. Additional fees will be charged for baggage with excess weight.
- **Xpress Baggage:** Passengers can claim their baggage as fast as possible upon arrival at their terminal destination. Xpress baggage is available for booking along with flights.
- **Xtra Carry-On:** In each flight, a passenger is allowed to carry two bags with a total of not more than seven kilograms. Passengers can purchase Xtra Carry-On to bring more bags, one of which the weight is not more than seven kilograms. The Xtra Carry-On must be purchased at the same time of flight booking.
- **Seat Selection:** Seat selection is available with fees; passengers can choose any preferred seats on the flight, which is varied by seat zone, flight hour, and timing of the purchase. Pre-booking of seat selection at the time of the reservation will bring about lower fees.
- **Checked Sports Equipment:** Passengers can check-in sports equipment including golf equipment, diving equipment, surfboard and bicycle. Checked sports equipment charges are based on the weight of the sports equipment and also upon flight hour, the timing of purchase and travel period. Pre-booking of the checked sports equipment at the time of the reservation will bring about lower fees. Additional fees will be charged for the equipment with excess weight.
- **Bookings and Amendments:** Passengers can make a booking at sales counters, with applicable booking fees. Booking amendments are possible 48 hours prior to flight time with amendment fees to be applied (name and route changes are not permitted). An additional service fee may be applied on a case-by-case basis.



- Payment Processing Fees:** Tickets are available for purchase either through an online purchase on the website or at the AirAsia ticket counter in the airport. Extensive payment method selections are available such as via credit card, debit card, direct debit, ATM payment, counter service, PromptPay, and QR Code with processing fees.
- Travel Insurance:** Passengers can purchase Tune Protect Travel Insurance from AirAsia which covers accidental death and dismemberment, personal accident and medical expense, trip cancellation, flight delay, damage to luggage, personal effects, including COVID-19, etc. Thai AirAsia has cooperated with Tune Insurance Public Company Limited and will receive the service fee from selling such insurance policies on the AirAsia website. This insurance is underwritten by Tune Protect Thailand (Tune Insurance Public Company Limited) and distributed by Great Fortune Broker.
- Connecting Flight (“Fly-Thru”):** Fly-Thru service is available for passengers who wish to conveniently connect flights (both domestic and international flights) from one to another with no bag collecting hassle in between flights at the transit hub. All checked baggage will be safely delivered to the final destination of the passengers’ flight. An additional connecting fee will be applied to the service.
- AirAsia Red Carpet:** Passengers can purchase additional services that allow them to enjoy a speedier travelling process from check-in to baggage claim. AirAsia Red Carpet privileges include 1) a dedicated check-in area, 2) access to the airport lounge and priority boarding, and 3) priority baggage delivery upon arrival. Red Carpet service is available for flights departing from Don Mueang, Suvarnabhumi, Phuket and Chiang Mai in international and domestic terminals as well as Udon Thani, Hat Yai and Chiang Rai in the domestic terminal. Thai AirAsia will receive additional fees from this service.
- Airport Priority Service:** Passengers can purchase additional services that allow them to enjoy a speedier travelling process from check-in to baggage claim. AirAsia Red Carpet privileges include 1) a dedicated check-in area, 2) priority boarding, and 3) priority baggage delivery upon arrival. Thai AirAsia will receive additional fees from this service.
- Value Pack:** can select their favourite add-ons with their flight. A value pack has been made easier with this bundle that includes 20 kilograms of the checked baggage, a meal, a standard seat selection, and Tune Protect Insurance coverage comprising an on-time guarantee and baggage delay. All these elements are included with the flight at a more economical price.

2.2 In-flight Services

The sales of beverages and food to passengers on-board are one of AirAsia in-flight services under the Santan brand. Passengers who pre-book the meals online during reservation or via the Manage My Booking menu will have a wider range of menus for selection as well as a discount from on-board prices, in which the food will also be served first prior to the sales of normal on-board in-flight services. Passengers can pre-book such services by no less than 24 hours before the departure time.

Additionally, Thai AirAsia offers merchandises on-board including souvenirs such as aeroplane models and graphic T-shirts; travel gadgets such as phone chargers and earphones; seasonal or festive items and travel essentials such as luggage locks, pillow, and comforter kits.

2.3 Other Services



Bangkok Bank AirAsia Platinum Credit Card:

Thai AirAsia and Bangkok Bank launched a co-branded credit card offering special privileges to the customers, including an ability to earn one airasia point for every Baht 20 spent, which the points could be redeemed for discounts on ticket fares together, and 10x airasia points earning for any purchase made on airasia website and sales counters as Platinum membership of airasia rewards. Thai AirAsia will receive shared revenue from spending on this co-branded credit card.



Freight (AirAsia Cargo):

Thai AirAsia generates additional revenue from airfreight service on the scheduled flight, consisting of cargo and mail when the aircraft space and weight are available.



Island and City Transfer:

Thai AirAsia generates additional revenues cooperations with the local van and ferry operators to offer City Transfer and Island services to deliver passengers either from the airport to the cities such as Pai, Chiang Khan, Mukdahan, Surin, Lampang, Prae, or from the land to the islands such as Samui, Phangan, Koh Tao, Lipe, Phi Phi, Lanta, Koh Jum, Ao Railay, Yao Yai, Yao Noi, Ngai, Mook, Kradan and Li Bong. Passengers can plan their trip conveniently due to the easy access to the nearby islands and cities.



3. Pricing and Revenue Management

Thai AirAsia utilises multiple fare structures and dynamic pricing to enhance ticket revenue optimisation and flexibility to adapt with externalities. In order to maximise the revenue, the number of seats allocated to each fare level for each flight and departure date is determined along with the consideration of the market demand and supply, competition, historical route performance, booking pace movement, fuel fluctuations as well as domestic and international economic forecasts.

As there are a limited number of seats in the lower fare level which require an advance purchase, the earlier a passenger reserves a seat, the higher chance the passenger will be able to purchase a seat at the lowest published fare. All fares displayed are one-way direct flights and also fly-thru flights. The confirmed seat booking after a full payment is non-refundable, except for those relating to any applicable airport tax. However, passengers cannot reroute but can change the travelling date and time at least 48 hours before departure (other than in the case of promotional fares) and subject to the processing fee and the payment of the fare difference, which depend on the matter.

The effective cost structure enables Thai AirAsia to offer the average fares more attractive than competitors in the same routes, supporting its revenue and profit maximisation. Moreover, Thai AirAsia occasionally offers very attractive promotional fares to promote routes with less traffic.

4. Distribution and Sales

Thai AirAsia has three principal distribution channels namely the Internet sales, direct sales through Thai AirAsia's sales offices as well as indirect sales through agents. All travel documents such as the confirmation itinerary are electronically sent, thereby reducing costs associated with printing, mailing, modifying tickets as well as reissuing lost or stolen tickets. As at 31 December 2023, Thai AirAsia had a proportion of the total bookings sold through the Internet of 47 percent, through direct sales of 2 percent and through indirect sales of 51 percent.

4.1 Internet Sales

Thai AirAsia sells tickets online via www.airasia.com and the application "airasia Super App" on the smartphone, currently available on both iOS and Android. The payment can be made via credit card, direct debit and internet banking, ATM, Mobile Banking, or at service counters such as Counter Service, Tesco Lotus, Big C Supercentre, Thai Post Office,

Tops Supermarket, True Money, etc. The lowest fares as well as promotional fares are available only through the website and airasia Super App to encourage online reservations. Thai AirAsia expects the internet sales to continue growing in the future as online bookings lowers operating costs, and thus is our lowest-cost distribution channel.

4.2 Direct Sales

Direct sales are made at sales offices and airport sales counters at which payments can be paid by cash, credit card, PromptPay and QR Code, including cash payment at Counter Services.

4.3 Indirect Sales

Indirect sales through agents consists of online bookings via Online Travel Agents (OTA) and offline via travel agents in other formats.

- **Third-Party Travel Agents:** Thai AirAsia has two types of travel agent network. "Sky Agents" are travel agents who are registered with Thai AirAsia and maintain a prepaid account in which bookings made by their guests are debited. In addition, "BSP Agents" are the members of and have credit limits with the International Air Transport Association ("IATA"). In addition, Third-Party Travel Agents have been expanding the business online. Thai AirAsia obtains revenues from the OTA only for the flights that Thai AirAsia provides as part of the travel package or only for flight booking.
- **MyCorporate Bookings:** Thai AirAsia offers MyCorporate packages to business travellers who maintain corporate accounts with us.
- **GoGovernment Booking:** Thai AirAsia offers special GoGovernment fare for governors and state enterprise officers to book at airport counters or authorised travel agents.
- **Book and Pay:** Thai AirAsia joins with Counter Services, offering the booking of and paying for AirAsia tickets at Counter Service channels such as a convenience store, department store and supermarket, across the nation to expand its customer base. Ticket booking and payment can be made 24 hours prior to the flight for all of our domestic and international routes, for both single and round tickets.

Internet Sales

47%



Direct Sales

2%



Indirect Sales

51%





5. Advertising and Sales Promotions

Thai AirAsia has allocated its budget appropriately for marketing and communication, adjusting the proportion of advertising media to reach more consumers. This has resulted in an increased share of online advertising to align with campaign objectives. Considerations include distribution channels, population demographics, and passenger target groups for each channel, to maximise the benefits of the budget. This also helps build brand loyalty. The advertising media used for consumer communication include television, outdoor media such as billboards, mass transit ads like on trains, airport signs, and LED screens in Bangkok and other provinces, radio, and online media on AirAsia's platform and social media like Facebook, YouTube, Instagram, LINE, X, and Key Opinion Leaders who can influence passenger purchasing decisions. Online media are used to reach target groups broadly or specifically, depending on the communication objectives, often resulting in direct product or service conversions.

Thai AirAsia continuously plans marketing and promotions throughout the year, offering special fare promotions every week depending on festivals, travel demand on domestic and international routes, and timing. There are also major promotions 3-4 times a year to stimulate advance ticket purchases at least six months ahead, with additional discounts on already special fares, such as zero-baht fares. There are also advertising campaigns to raise awareness of new and interesting tourist destinations in various provinces or abroad and new routes operated by the airline. As a result, Thai AirAsia holds the largest market share for domestic routes at 37% by the end of 2023, up from 32% at the end of 2019 (before the COVID-19 pandemic). Thai AirAsia has also received awards indicating international quality standards, such as the On-Time Performance Award from global organisations like Cirium and OAG, and the Best Low-Cost Airline Award (AirAsia Group) from Skytrax for 14 consecutive years.

6. Customer Happiness

Thai AirAsia is committed to delivering high-quality customer service by providing our guests with a safe, low fare, valuable, reliable and friendly service. Thai AirAsia is delighted to listen to all comments, feedback and our customer complaints. For any assistance, they can contact us directly on the main page website www.airasia.com or via airasia Super App. We have provided various channels of reach for our customer convenience through just-in-time service support. We have continuously improved our technology by introducing the Chatbot that supports fast and accurate information retrieval 24 hours daily and Live Chat Agent to help the customer if Chatbot cannot solve passenger's problems.

Staff are selected through a rigorous recruitment process to provide excellent customer service, followed by extensive and ongoing training and performance management activities. The airline has specific budgets for training for each customer service personnel every year to ensure staff are fully prepared to assist passengers effectively and efficiently.

7. AirAsia Academy

The Asia Aviation Academy, under Asia Aviation Centre, which is wholly owned by Thai AirAsia, serves as a comprehensive safety training facility for Thai AirAsia's flight operations personnel, adhering to the Civil Aviation Authority of Thailand's safety standards. Spanning over 30,000 squared metres, the facility comprises three main buildings and officially commenced operations in late 2021. Key features of the Asia Aviation Academy include a 312-seat classroom and auditorium, various safety training stations such as emergency aircraft door opening, aircraft slide evacuation, a full flight simulator, along with a large swimming pool and facilities supporting commercial activities like restaurants, cafes, convenience stores, and a fitness centre, as well as multipurpose recreational areas.

The Asia Aviation Academy enables Thai AirAsia to enhance the efficiency of staff training and reduce costs associated with external training dependencies. Additionally, there are plans to generate revenue by providing training services to personnel from other commercial airlines in the near future, in line with the recovering aviation industry post-COVID-19.

Beyond aviation training, the Asia Aviation Academy has repurposed its facilities for corporate client office rentals and has designed training programs for various organisational personnel development courses under the "AirAsia Academy" banner. Utilising its distinctive training location, modern equipment, and the strong corporate culture of Thai AirAsia's personnel, the AirAsia Academy aims to impart knowledge and experience, inspiring practical application in interested organisations. Programs include:

Team Building

offering unique and memorable experiences.

AirAsia Talk and Tour

AirAsia Talk and Tour, providing tours and talks on AirAsia's corporate culture, highlighting achievements such as punctuality, cost-effective operations, and net-zero carbon emissions.

Customised Training and Workshop

tailored to client needs and conducted by internal personnel in collaboration with Thai AirAsia partners.

In 2023, the revenue from the Asia Aviation Academy constituted less than 1 percent of the total revenues of Thai AirAsia.





Products or Services Procurement

1. Thai AirAsia's Fleet

As of 31 December 2023, Thai AirAsia has an Airbus A320 family of 56 aircraft, increasing from last year by two aircraft. Thai AirAsia has entered into the aircraft's operating leases in a total of 52 aircraft, 10 aircraft of which were leased from AAM, a subsidiary of AAB, and 42 aircraft of which were leased from third-party lessors. Meanwhile, one of the leased aircraft was under a financial lease agreement with financial institutions, and three of the remaining aircraft are owned by Thai AirAsia. In 2024, Thai AirAsia has a plan to deliver four more aircraft, which will bring its total fleet to 60 by the end of the year.

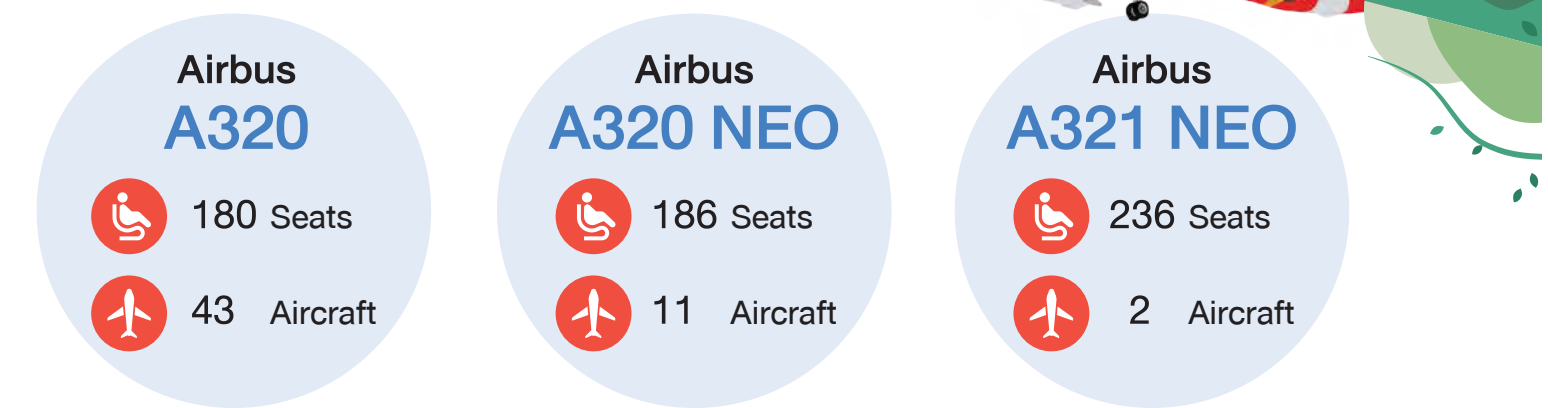
Airbus A320 family has a proven track record of reliability in short-haul, high-frequency operations with an appropriate number of passengers per flight. Thai AirAsia's Airbus A320 family fleet comprised 43 of Airbus A320, 11 of Airbus A320neo (New Engine Option), and two of Airbus A321neo, with an average fleet age of 9.9 years. In 2023, the aircraft utilisation rate was at 12.7 hours per day.

Thai AirAsia analyses aircraft procurement needs independently from the other members of Capital A. However, AAB consolidates the respective requirements of each member of Capital A and places a consolidated order with Airbus, the aircraft manufacturer. Group procurement enables us to benefit from bulk discounts off the official list price of such aircraft.

As at 31 December 2023, Thai AirAsia received 3 certificates of promotion privileges for ten aircraft from the Board of Investment (BOI), with the privileges including (a) an exemption from payment of import duty on machinery approved by the Board of Investment; (b) an exemption from payment of income tax on net profit from promoted operations for a period of five years from the date on which income is deemed to be first derived from such operations; (c) an allowance of a five-year carry forward period for losses for tax purposes from promoted operations from the expiry of the five-year period; and (d) an exemption from income tax on dividends paid to shareholders from the profit of promoted operations during the corporate tax exemption period. Thai AirAsia shall comply with various terms and conditions set by the BOI in order to have such privileges.

As at the end of 2023, Thai AirAsia has a remaining balance of promotion privileges amounting to Baht 5,276 million.

Thai AirAsia's Fleet 56 Aircraft 2023





2. Fuel

Fuel is a major cost component for airlines, in which Thai AirAsia's fuel costs in 2021, 2022, and 2023 were Baht 1,406.2 million, 8,277.0 million and 15,302.2 million, accounting for 10 percent, 34 percent and 39 percent of total of cost of sales and services, selling and distribution expenses and administrative expenses, respectively.

Thai AirAsia purchases a substantial majority of the fuel from PTT Oil and Retail Business PCL and Shell Thailand Co., Ltd. with the benchmark of fuel prices against Mean of Platts Singapore (MOPS). Jet kerosene prices, and therefore fuel prices, are extremely volatile and are subject to many global economic and geopolitical factors. Thus, Thai AirAsia has implemented the following [fuel management strategies](#) in order to reduce costs and minimise inherent risks:

- **Fuel procurement:** Thai AirAsia controls our fuel supply by uplifting as much fuel as possible within optimal limits and regulatory requirements in destinations where fuel is least expensive to facilitate the use of the least expensive fuel stock.
- **Fuel payment:** Thai AirAsia considers making prepayments for fuel purchases to negotiate better prices.
- **Fuel consumption:** Thai AirAsia attempts to minimise fuel consumption by establishing clear guidelines covering all areas of flight operations to maintain aircraft fuel burn rates at a minimum. This includes accurate flight planning on each flight to reduce fuel burn, and using Green Operations to reduce greenhouse gas emissions.

3. Major Customers

No customer contributed more than 30 percent of our total revenue in 2021, 2022 and 2023. Customers mainly consist of individuals travelling by air.

4. Major Suppliers

No suppliers accounted for 30 percent or more of our total operating costs and expenses in 2021, 2022 and 2023.

5. Aircraft Maintenance and Spare Parts

5.1 Aircraft Maintenance

Thai AirAsia provides line maintenance, light maintenance, and maintenance below a "C" level check including defect rectification by the internal Engineering department. Any maintenance above the "C" level check or structural repair is outsourced to other certified Maintenance and Repair Organisation (MRO) service providers. Those service providers are certified by the CAAT including Thai Airways International and Thai Aviation Industries in Thailand, ST Aerospace (Guangzhou) Aviation Services Co., Ltd. in China, Sepang Aircraft Engineering in Malaysia, and FL Technics in Indonesia, to name a few. In addition, through the AirAsia Aircraft Lease Agreements, Thai AirAsia can rely on the manufacturer's warranties and product support granted to Capital A.

In maintaining airworthiness standards and effective financial management, Thai AirAsia has considered various factors in selecting maintenance service providers, such as:

- **Adjusting the aircraft maintenance schedule** to suit the number of aircraft and the maintenance service provider, to maintain safety standards and control costs effectively.
- **Considering the risk of supply chain disruption**, which may delay the procurement of aircraft parts and components for maintenance. Thai AirAsia works closely with aircraft parts suppliers and maintenance service providers to find solutions and innovate to increase options and efficiency for the airline.
- **Utilising technology to enhance proactive aircraft maintenance.** The engineering department supports the use of technology to reduce maintenance costs by using data from multiple sources to predict future maintenance patterns and extend the life of aircraft parts by maintaining them before they fail, avoiding the cost of goods, time, and labour.

5.2 Spare Parts

Thai AirAsia maintains rotatable spare parts in our main base and hubs, with the majority of inventory found in Bangkok which consists of Don Mueang International Airport and Suvarnabhumi International Airport. As at 31 December 2023, Thai AirAsia kept Baht 421.2 million of net book value of aircraft spare parts.



Other Operations

1. Safety and Security

Thai AirAsia is fully committed on all levels of operation to the safety and security of our passengers, employees, contractors, partners, and visitors. This commitment is reflected in our Safety Management System (“SMS”) with respect to the requirements of the International Civil Aviation Organization (“ICAO”) regarding all areas of our business that are involved with the operation of our aircraft. Additionally, the Company is fully committed to compliance with Occupational Safety and Health Management System (OSHA) to comply with Occupational Safety, Health and Environment Act B.E. 2554. Importantly, the Company has continuously maintained and improved its safety management. Despite the significant improvement in the global COVID-19 situation, the Company steadfastly maintains its ‘COVID-Free Organisation’ policy across all sectors of its workforce to mitigate the risk of a recurrent epidemic. Moreover, there has been a modification in the methodologies of training and an emphasis on safety to conform with new modalities of work across every operational facet and within the passenger areas, ensuring optimal efficacy. In addition, the Company has developed an Emergency Response Plan (ERP) and a Business Continuity Plan (BCP), incorporating regularised training and exercises for staff at all levels.

Our commitment is to:

Support the management of safety through the provision of all appropriate resources, that will result in an organisational culture that fosters safe practices, encourages effective safety reporting and communication, and actively manages safety with the same attention to the results of the other management systems of the organisation;

Enforce the management of safety as a primary responsibility of all managers and employees;

Clearly define for all staff, managers and employees alike, their accountabilities and responsibilities for the delivery of the organisation’s safety performance and the performance of our safety management system;

Establish and operate hazard identification and risk management processes, including a hazard reporting system, in order to eliminate or mitigate the safety risks of the consequences of hazards resulting from our operations or activities to a point which is as low as reasonably practicable (ALARP);

Ensure that no action will be taken against any employee who discloses a safety concern through the hazard reporting system, unless such disclosure indicates, beyond any reasonable doubt, an illegal act, gross negligence, or a deliberate or wilful disregard of regulations or procedures;

Comply with and, wherever possible, exceed, legislative and regulatory requirements and standards;

Ensure that sufficient skilled and trained human resources are available to implement safety strategies and processes;

Ensure that all staff are provided with adequate and appropriate aviation safety information and training, are competent in safety matters, and are allocated only tasks commensurate with their skills;

Establish and measure our safety performance against realistic safety performance indicators and safety performance targets;

Continually improve our safety performance through management processes that ensure that relevant safety action is taken and is effective;

Ensure externally supplied systems and services to support our operations are delivered meeting our safety performance standards; and

Ensure safety matters are communicated throughout the organisation, conduct appropriate promotion of safety awareness and allocate the necessary resources for the implementation of the safety policy





1.1 Safety

Safety is a core principle of how we run our business. Thai AirAsia is committed to developing, implementing, maintaining, and constantly improving strategies and processes to ensure that all our aviation activities take place under a balanced allocation of organisational resources, aimed at achieving the highest level of safety performance and meeting national and international standards, while delivering on our customer promise for affordable, reliable, and convenient flight services. Achieving such goals is a significant duty of both management and staff in the entire organisation.

1.2 Security

While the relevant airport operators are responsible for security screening of passengers and baggage at our domestic and international destinations, Thai AirAsia trains our staff to remain vigilant and have awareness in identifying potential security breaches, as well as to handle unruly passengers. All potential employees undergo thorough background screening prior to being hired. This includes the recurrent background check according to the airport operator's requirement.

Thai AirAsia provides extensive training to ensure that our staff have appropriate skills to carry out their relevant duties as stipulated in our employee manuals. All crew and ground handling staff are required to undergo dangerous goods awareness training to be able to identify potentially dangerous goods and items that threaten the safety of the flight, which take into account flammable liquids and containers that are likely to explode under pressure. This shall include the recurrent training which is developed based on case studies to countermeasure all threats.

Thai AirAsia is in compliance with all of CAAT's and the ICAO's regulations. In addition, cockpits in all of our aircraft have reinforced bulletproof doors.

2. Information Technology

Thai AirAsia utilises information technology in its operations in collaboration with other airlines in Capital A, investing in IT that directly reduces costs, enables operational scalability, and improves efficiency and safety. The main software systems, centred in Kuala Lumpur, Malaysia, used by Thai AirAsia include:

- 1) **NewSkies 4.5 and Gonow 4.7**, developed by Navitaire, a company in the Amadeus group providing technology services to leading global airlines, are used for passenger check-in, inventory management, sales, and online ticket booking. Thai AirAsia continuously plans and develops these systems with Capital A to align with business operations.
- 2) **Oracle Cloud Application**, used for financial operations and procurement, manages financial and procurement department processes online, including online report preparation and automated job approval processes, reducing paperwork for these departments.
- 3) **AIMS (Airline Information Management System)**, an operational system for managing and conducting operations related to aviation, such as flight scheduling, crew and pilot flight planning.
- 4) **Navtech**, a system for inspecting and storing data on airport assessments and flight paths, providing recommendations, guidelines, and alternatives such as flight routes, weight loading, and fuel assessment to maximise operational efficiency and minimise operational impact.
- 5) **AMOS Operating System**, used for managing aircraft maintenance engineering and transportation, developed by Swiss Aviation, known for innovation and excellence in IT, particularly in aircraft maintenance management systems.

In addition, Thai AirAsia in collaboration with Capital A, has developed and improved **IT system security**. In 2023, the following achievements were made:



1. Network Infrastructure

- Enhancing employee computer security for internal network access with user authentication and device security checks.
- Upgrading to WIFI 6 for more secure and efficient wireless connectivity within office premises.
- Implementing Multi-Factor Authentication for Virtual Private Network access, enhancing remote organizational access security.



2. Server Infrastructure

Migrating servers to the Google Cloud platform to transition from physical servers to full cloud infrastructure, aligning with business trends for rapid response and enhanced system security against cyber threats.



3. Airport Operations

Thai AirAsia provides ground handling, ground support services, and ramp services at most domestic airports. For international destinations, Thai AirAsia has cooperated with airlines in Capital A departing to the same destinations in order to negotiate and assign accredited third parties to provide these services for cost management effectiveness.

For the services at the airport, Thai AirAsia elevated the importance of fast and convenient services by introducing a self check-in kiosk, suitable for passengers who value extended convenience and time in travelling. At the same time, the service allows Thai AirAsia to reduce costs effectively. Furthermore, Thai AirAsia has collaborated with Don Mueang Airport to trial the Automated Biometric Identification System, also known as the F.A.C.E.S system. This pioneering move makes the Company the first service provider to implement this technology at Don Mueang Airport, with plans to expand to other airports. The system employs facial scanning technology during the boarding pass issuance process. At various airport checkpoints, such as security before immigration control and boarding gates, passengers will have their faces scanned and matched with the data in the system. If the information is correct, passengers can proceed seamlessly, providing convenience to passengers, service users, and airline staff.

For airports managed by Airports of Thailand Public Company Limited ("AOT"), the Company has cooperated in installing equipment and developing application systems to support check-in, baggage check, and automatic boarding pass check for passengers. This aligns with the integrated airport

reform policy and the goal of providing a seamless and enjoyable airport experience for passengers. The Company completed the installation and began providing services in August 2023, including a total of six airports under the supervision of AOT.

In 2024, the Company is collaborating with the Department of Airports to implement and enhance airport systems for airports under the management of the Department of Airports, in which the Company engages in the installation of equipment and the development of an identical application system to that used in airports managed by AOT.

Besides, the Ramp and Ground Service Equipment (GSE) of Thai AirAsia has implemented the Baggage Reconciliation System (BRS) that improves baggage handling and ensures that all bags are loaded onto an approved flight, starting from domestic flights at Don Mueang International Airport at the initial phase. The system verifies baggage matching with a verified boarding passenger at the check-in before it is loaded onto a departing aircraft to minimise misdirected baggage to the misplaced flights. This system immediately displays information on the dashboard, allowing the duty staff to monitor it closely.

In addition, software to handle passenger and baggage data transmission was developed internally for domestic flights. This has helped reduce communication time and increase flight operational efficiency whereby the terminal station can plan ahead the handling process to better manage the flight, resulting in more on-time departures.

4. Insurance



Thai AirAsia has aviation and non-aviation insurance coverage in connection with our operations. The airline believes that our overall insurance coverage is consistent with the industry practice and is maintained at adequate levels. Thai AirAsia carries passenger and third party liability insurance, as required by the terms of our aircraft lease agreements and per the standard market practice, under which the airline is insured for a Combined Single Limit (Bodily Injury and Property Damage) of USD 750 million for each loss and each aircraft, unlimited in all but in the annual aggregate. In respect of the liabilities due to Products and Grounding, the coverage is limited to USD 125 million per one grounding. Thai AirAsia also insured the aircraft against loss and damages under the Hull All Risks up to the agreed value of the aircraft, but subject to a deductible, of USD 750,000 for each loss, inapplicable to the total loss, the constructive total loss, and the arranged total loss.

Nevertheless, Thai AirAsia has purchased a Hull Deductible policy to indemnify Thai AirAsia for the difference between USD 750,000 and USD 50,000 for each loss subject to an annual aggregate limit of USD 10 million in respect of all aircraft and spare engines collectively under Capital A's airline business Hull Deductible policy.

In addition to the above, Thai AirAsia has purchased a Hull War and Allied Perils against loss or damage excluded by the War, Hijacking and Other Perils Exclusion Clause (AVN 48B) under the Hull All Risks insurance policy coverage, to the extent available in accordance with LSW555D policy form, up to the agreed value of the aircrafts. The coverage is subject to an annual aggregate limit of USD 750 million.

Also, Thai AirAsia has purchased the War, Hijacking and Other Perils Liability (AVN52E) up to USD 750 million per occurrence and in the annual aggregate.



Industry Outlook and Competition



Industry Landscape in 2023

In 2023, the Thai aviation industry witnessed a continuation of market rationalisation in its competitive landscape, buoyed by the complete lifting of travel restrictions, particularly in China. Unlike the pre-pandemic period during which price competition was intense, the market environment in 2023 displayed an effort by airlines to reactivate aircraft for service after being downsized in the past years. However, despite an improvement in the supply chain of aircraft, fleet resumption remained challenging in the region as the costs of aircraft maintenance, repair, and overhaul stayed elevated due to a mismatch in supply and demand for maintenance slots. This resulted in yearly high load factors of above 85 percent seen in most airlines.

Thai AirAsia asserted its dominance in the domestic market with a substantial 37 percent market share in December 2023. The race for the second and third positions remained close, with both following airlines each achieving less than 15 percent market share. Overall, demand in the domestic sector remained strong and resulted in healthy average fares. It was observed that some of the airlines adeptly reallocated some of their fleets to service international routes, a move that might have supported the strength of Thai AirAsia domestically. Additionally, as part of Thai Airways' business rehabilitation plan, Thai Smile was scheduled to cease operations and fully merge with its parent airline in early 2024, transferring its domestic operations to Thai Airways.

The international market saw a steady recovery, with airlines reintroducing and launching new routes to connect Thailand

with key global destinations. In the vital Thailand-China route, Spring Airlines, a Chinese low-cost carrier, led in passenger share, followed by Thai AirAsia, China Eastern Airlines, China Southern Airlines, Thai Lion Air, and Thai Airways. In the ASEAN region, the top airlines transporting passengers between Thailand and Malaysia were Malaysia AirAsia, Thai AirAsia, and Malaysia Airlines. It is noteworthy that MYAirline ceased operations less than 12 months after its launch due to financial pressures. For routes between Thailand and Vietnam, the leading carriers were Thai AirAsia, VietJet, and Vietnam Airlines, while for between Thailand and Singapore, Scoot, Singapore Airlines, and Thai AirAsia were the top competitors. In general, the fluctuations in local currencies against the US Dollar have boosted tourism in countries with depreciating currencies, and vice versa. Additionally, the rise of airport charges in East and

South Asian countries, primarily due to a shortage of resources, has inevitably offset some demand.

In summary, the aviation industry managed to stay resilient and started to deliver positive profitability and cash flows following several consecutive losing years. For Thai AirAsia, with its competitive edge in offering value-for-money pricing, superior flight schedules, service quality, and punctuality, the airline has continued expanding its routes to new destinations such as its inaugural flights to Guwahati, Ahmedabad, Jakarta, and Colombo. The business strategy and outlook for 2024 section on the next page provides further information about Thai AirAsia's direction.

The major airlines that were granted the Air Operator Certificate (AOC) from CAAT provide services on both domestic and/or international routes and have a number of aircraft in service as of 31 December 2023 as shown below;



(✈ = 10 Aircraft) Source: CAAT



International

The main competitors of Thai AirAsia on our international routes include full-service carriers are (1) Thai Airways, (2) Cathay Pacific Airways, (3) Singapore Airlines, (4) Vietnam Airlines, (5) Air Macau, (6) Myanmar Airlines International, and (7) Malaysian Airlines. While low-cost carriers are (1) Tiger Airways, (2) Jetstar Airways, (3) Spring Airlines, (4) Thai Lion Air, (5) Thai VietJet Air, (6) IndiGo, and (7) ZIPAIR.

Domestic

Key main players under the domestic market include (1) Thai Airways, (2) Thai Smile, and (3) Bangkok Airways. For low-cost carriers are (1) Nok Air (2) Thai Lion Air, and (3) Thai VietJet Air.

Business Outlook and Direction in 2024

Tourism expected to sustain growth despite economic challenges

The World Bank's 2024 forecast indicates a global economic deceleration, with GDP growth projected to decrease to 2.4 percent from the previous year's 2.6 percent, mainly due to a slowdown in the US and China which are expected to grow by 1.6 percent and 4.5 percent, respectively. In contrast, South Asia and the ASEAN-5 regions anticipate higher growth rates of 6.4 percent and 4.5 percent, respectively. On the

other hand, the latest Thailand's expected growth rate by the NESDC is between 2.2-3.2 percent, improving from 1.9 percent last year. Despite this background of diverging economic developments, the tourism sector has been a global key driver since the reopening of borders and is expected to continue its recovery momentum into 2024.

With fleet expansion, Thai AirAsia aims for a strong domestic market presence

Correspondingly, Thai AirAsia plans to expand its fleet from 56 aircraft in 2023 to 60 by the end of 2024, while aiming to increase the number of operating aircraft to 57. Domestic air travel is expected to remain robust, further closing the gap with 2019 levels. Thai AirAsia intends to increase domestic capacity by approximately 10 percent YoY, a rate that would continue to support its leadership position and maintain the domestic passenger contribution at 60 percent of its total passenger portfolio.

Inbound tourists to hit 35 million led by Chinese visitors

Internationally, the Tourism Authority of Thailand anticipates 35 million inbound tourists in 2024, up from 28 million in 2023, with Chinese tourists expected to account for nearly 70 percent of this growth, up from 3.5 million in 2023 to 8.2 million. This increase will be supported by the introduction of a bilateral visa-free policy between Thailand and China, effective from 1st March 2024, alongside other government

initiatives. To seize this opportunity, Thai AirAsia anticipates the passenger contributions from the China, East Asia, and South Asia markets to rise to 20 percent of the total passenger portfolio in 2024, an increase from 15 percent in the previous year. In addition to more flight frequency to these regions, Thai AirAsia will launch new direct routes from Don Mueang to Shanghai, Beijing, and Okinawa, as well as a potential fifth-freedom route to Osaka via Taipei within the first half of 2024. The remaining international passenger volume will continue to come from the ASEAN region, expected to account for another 20 percent of the total passenger portfolio.

Yields to be sustained amid external cost overhang

Geopolitical uncertainties have presented challenges in the fuel refinery sector. At the same time, the COVID-19 aftermath has led to increased expenses for the maintenance, repair, and overhaul (MRO) of aircraft as well as persistently high levels of airport charges and ground services in key tourist destinations. Considering the cost pressures and the demand landscape, we expect airfares to hold steady throughout 2024.

Thai AirAsia forecasts improved profitability outlook

In summary, Thai AirAsia aims to transport 20-21 million passengers in 2024, with a load factor of nearly 90 percent. Available Seat Kilometre (ASK) is expected to expand to 26,000 million, compared with 26,940 million achieved in 2019. With anticipated fare growth YoY, we expect a 20-23 percent YoY increase in revenue from sales and services, while our continued focus on efficiency management is expected to support a turnaround into core profitability. Given this outlook, the management anticipates a notable improvement in the Company's cash flow and financial flexibility.

Government collaboration and sustainability efforts

Thai AirAsia, in collaboration with the Airlines Association of Thailand, has submitted a proposal to the government for the reconsideration of lowering the excise tax rate on jet fuel for domestic flights. Thus far, there remains optimism for a favourable resolution to bolster domestic tourism. Additionally, Thai AirAsia is working with CAAT to facilitate the adoption of sustainable aviation fuel (SAF) and the development of standardised carbon credit mechanisms. In 2024, all sustainability initiatives, including the revival of the "Journey D" project aimed at increasing sustainability awareness among our stakeholders, are anticipated to have a minimal financial impact on Thai AirAsia.



บลูเบลล์จัดจำหน่าย

1,200 MB.

บริษัทหลักทรัพย์ บลูเบลล์ จำกัด (บลูเบลล์) ขอขอบคุณนักลงทุนที่ไว้วางใจ และร่วมเป็นหนึ่งในการจองซื้อหุ้นกู้มีประกันของบริษัท ไทยแอร์เอเชีย จำกัด ครั้งที่ 2/2566 ครบกำหนดไถ่ถอนปี พ.ศ. 2569 ซึ่งผู้ออกหุ้นกู้มีสิทธิไถ่ถอนหุ้นกู้ก่อนวันครบกำหนดไถ่ถอนอย่างทั่วมกกัน และปิดการขายหุ้นกู้ได้เต็มจำนวน 1,200 ล้านบาท



บลูเบลล์เริ่มประกอบธุรกิจเมื่อวันที่ 17 มิถุนายน 2565 โดยสิ้นปี 2566 อยู่อันดับที่ 7 ของบริษัทหลักทรัพย์ฯ จำหน่ายหุ้นกู้* พร้อมแนะนำการลงทุนในกองทุนรวม ปัจจุบันจับมือกับพันธมิตร 13 บลจ.และจะครบทุกบลจ.ชั้นนำในกลางปีนี้ เพื่อสร้างความมั่นคงและมั่นใจให้กับนักลงทุนของบลูเบลล์ นักลงทุนที่สนใจลงทุนหุ้นกู้และกองทุนรวม ติดต่อที่ Line: @BlueBellFin Facebook: BlueBellFin หรือโทร 02 249 2999 ในวันและเวลาทำการ

ผู้ลงทุนควรทำความเข้าใจลักษณะสินค้า เงื่อนไขผลตอบแทนและความเสี่ยงก่อนตัดสินใจลงทุน

*ข้อมูลจาก สมาคมตลาดตราสารหนี้ไทย



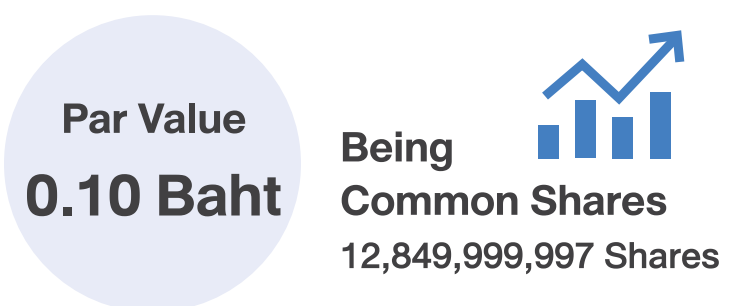
Securities and Shareholders



Equity Securities

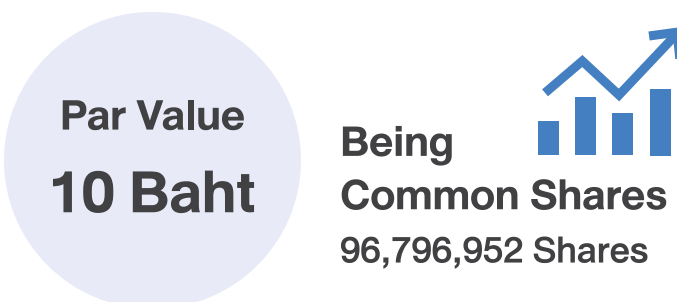
Asia Aviation Public Company Limited

As at 31 December 2023, Asia Aviation has the registered and paid-up capital of Baht 1,284,999,999.70, being common shares of 12,849,999,997 shares at the par value of Baht 0.10 per share. On 31 May 2012, the Company was listed on the Stock Exchange of Thailand under the ticker "AAV".



Thai AirAsia Company Limited (Subsidiary)

As at 31 December 2023, Thai AirAsia has the registered and paid-up capital of Baht 967,969,520, being common shares of 96,796,952 shares at the par value of Baht 10 per share.



Major Shareholders

Asia Aviation Public Company Limited

As at 11 March 2024, Asia Aviation has its top 10 shareholders with details on the number of shares and shareholding percentage as follows:

Name	Number of Shares	Shareholding Percentage (%)
1. AirAsia Aviation Group Limited ^{1), 2)}	5,230,616,671	40.71
2. Mr. Tassapon Bijleveld	2,291,955,686	17.84
3. Thai NVDR Company Limited	1,350,439,013	10.51
4. Mr. Pitharn Ongkosit	222,253,196	1.73
5. Mr. Tanarat Pasawongse	180,860,822	1.41
6. K Flexible Equity RMF	142,359,195	1.11
7. K Master Pool Fund – Provident Fund	97,817,973	0.76
8. Social Security Office by UOB Asset Management (Thailand) Co., Ltd.	68,940,700	0.54
9. Social Security Office by UOB Asset Management (Thailand) Co., Ltd. (2)	59,642,100	0.46
10. Krungsri Dividend Stock LTF	54,035,100	0.42

Remark: 1) AirAsia Aviation Group Limited ("AAAGL") (formerly known as AirAsia Aviation Limited ("AAA")) is a subsidiary of Capital A Berhad ("Capital A") that registered under Malaysian laws, in which Capital A has a 100% shareholding.

2) Capital A, listed on Bursa Malaysia, manages the business of investing in other companies.



Capital A Berhad

As at 31 December 2023, Capital A has major shareholders with details on the number of shares and shareholding percentage as follows:

Name	Direct		Indirect	
	Number of Shares	Shareholding Percentage (%)	Number of Shares	Shareholding Percentage (%)
Tune Live Sdn. Bhd.	509,000,000 ¹⁾	11.96	-	-
Tune Air Sdn. Bhd.	516,485,082 ²⁾	12.14	-	-
Positive Boom Limited	332,498,504 ³⁾	7.82	-	-
Tan Sri Anthony Francis Fernandes	1,600,000 ⁴⁾	0.04	1,025,485,082 ⁶⁾	24.10
Datuk Kamarudin bin Meranun	2,000,000 ⁵⁾	0.05	1,025,485,082 ⁶⁾	24.10
Choi Chiu Fai, Stanley	-	-	332,498,504 ⁷⁾	7.82

Remark: 1) Shares held under RHB Capital Nominees (Tempatan) Sdn. Bhd. and HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Live Sdn. Bhd.

2) Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Air Sdn. Bhd.

3) Shares held under own name for UOB Kay Hian Nominees (Asing) Sdn. Bhd. and Kenanga Nominees (Asing) Sdn. Bhd.

4) Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Tan Sri Anthony Francis Fernandes.

5) Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Datuk Kamarudin bin Meranun.

6) Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Tune Live Sdn. Bhd. and Tune Air Sdn. Bhd.

7) Deemed interested by virtue of Section 8 of the Companies Act, 2016 through a shareholding of more than 20% in Positive Boom Limited.

Thai AirAsia Company Limited (Subsidiary)

As at 31 December 2023, Thai AirAsia has 7 shareholders with details on the number of shares and shareholding percentage as follows:

Name	Number of Shares	Shareholding Percentage (%)
1. Asia Aviation Public Company Limited	96,796,945	100.00
2. Mr. Tassapon Bijleveld	2	0
3. Gp. Cept. Tanapat Ngamplang	1	0
4. Mr. Preechaya Rasametanin	1	0
5. M.L. Bovornovadep Devakula	1	0
6. Mr. Santisuk Klongchaiya	1	0
7. Mrs. Hathaimas Ekkalakdilok	1	0
Total	96,796,952	100.00

Issuance of Other Securities

The Company and its subsidiary issued other securities, comprising convertible debentures and non-convertible debentures as follows.

1. Asia Aviation Plc. issued an unsubordinated and unsecured convertible debenture offered in a private placement on 14 December 2021 with total amount of Baht 2,200 million, with a maturity period of not more than 2 years and no interest rate. It has a conversion ratio of 0.00175 unit to 1 common share with a conversion price of 1.75 Baht/share. It was subscribed by Bangkok bank Plc. Ltd. in the amount of Baht 1,200 million for a total unit of 1,200,000 units and by North Haven Thai Private Equity, L.P. in the amount of Baht 1,000 million for a total unit of 1,000,000 units. The allocation of the newly-issued ordinary shares was in the amount of not exceeding 1,257,142,857 shares reserved for the exercise of the right to convert the Convertible Debentures. During 2023, Bangkok bang Plc. Ltd. exercised all their rights to convert 1,200,000 units of the convertible debenture into 685,714,284 ordinary shares whereas North Haven Thai Private Equity, L.P. had exercised all their rights fully in 2022. Therefore, as of 31 December 2023, there were no convertible debentures remaining.



2. Thai AirAsia's non-convertible debentures comprise unsubordinated, secured and unsecured ones in Baht currency with fixed interest rates as follows:

Debentures	Outstanding Amount (Baht Million)	Issuance Date	Maturity Date	Interest Rate (% p.a.)	Term of Interest Payment	Credit Rating
No. 1/2018 Series 2 (Unsecured)	0 (Redeemed Baht 1,000.00 million in 2023)	26 June 2018	26 June 2023	2.95	Semi-Annual	BB ¹⁾
No. 1/2022 (Secured and callable by issuer)	1,431.50	30 June 2022	30 June 2024	6.80	Quarterly	-
No. 2/2022 (Secured)	0 (Redeemed Baht 750.00 million in 2023)	30 Sep 2022	30 Sep 2023	6.00	Quarterly	-
No. 1/2023 (Secured and callable by issuer)	1,500.00	27 Apr 2023	27 Apr 2025	7.00	Quarterly	-
No. 2/2023 (Secured and callable by issuer)	1,200.00	28 Sep 2023	28 Mar 2026	6.90	Quarterly	-
Total	4,131.50					

The issuances of debentures No. 1/2023 and 2/2023 were roll-overs and for supporting the company's working capital.

Remark: 1) Debentures were rated as credible from Tris Rating Co., Ltd (As of 23 March 2023)

Dividend Policy

The Board of Directors of Asia Aviation may recommend annual dividends subject to the approval of the shareholders' meeting. For interim dividends, the Board of Directors is authorised for such approval, considering the profitability of the company, which will be reported to the next Shareholders' Meeting.

Asia Aviation Public Company Limited

Asia Aviation may consider paying dividends by taking into account the performance, liquidity, current cash flow and financial status; the provisions and conditions regarding dividend payment as provided in the loan agreements, debentures or any related contracts that Asia Aviation are obliged to comply with; future business plans and capital requirement for investment; as well as other factors as deemed appropriate by the Board of Directors. In 2023, Asia Aviation did not pay dividends to Shareholders.



Thai AirAsia Company Limited

Thai AirAsia may consider paying dividends by taking into account the performance, liquidity, current cash flow and financial status; the provisions and conditions regarding dividend payment as provided in the loan agreements, debentures or any related contracts that Thai AirAsia are obliged to comply with; future business plans and capital requirement for investment; as well as other factors as deemed appropriate by the Board of Directors. In 2023, Thai AirAsia did not pay dividends to Shareholders.





Risk Management

(GRI 2-16)



Asia Aviation Plc. recognises and understands the importance of risk management to ensure effective management of the company and its subsidiaries. Risk management is a part of good corporate governance and is fundamental to helping the company achieve sustainable objectives, build stakeholder confidence, quickly respond to changing situations, and continuously improve operations for maximum resource efficiency. Since Asia Aviation Plc. operates by holding shares in Thai AirAsia Co., Ltd., the risk management system is established at Thai AirAsia Co., Ltd., which is the main operating subsidiary.

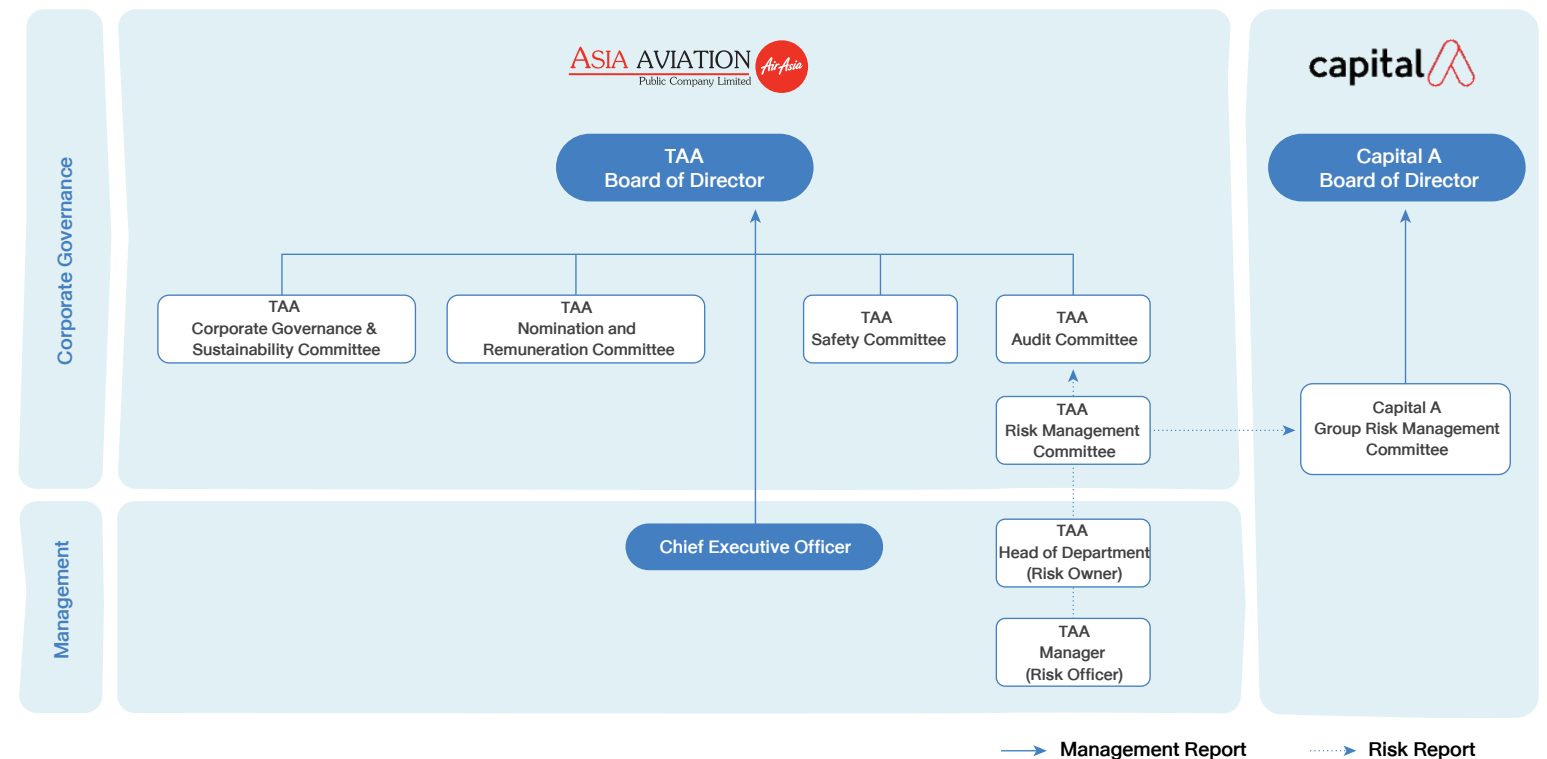
Thai AirAsia Co., Ltd. is committed to managing risks across the organisation (Enterprise Risk Management or ERM) in accordance with international standards such as ISO 31000, and Business Continuity Management (BCM) according to ISO 22301. The risk management policy is also emphasised through the corporate culture to all employees at every level to create awareness of their duty in understanding the importance of managing risks. This is to ensure the application of risk management principles consistently across the company for maximum benefit in terms of effective risk management, improved performance, minimising negative impacts on society and the environment, and reducing any potential impacts on the business.

* The scope, duties, and responsibilities of the Risk Management Committee are disclosed under the section "Risk Management Policy" on the company's website at <https://www.aavplc.com>.

Risk Governance Structure

Risks exist in business operations, originating from management, operations, and external factors. Effective risk management requires cooperation from all departments and employees at all levels to ensure that the company has adequate and efficient risk management. The company's board delegates the Audit Committee to oversee the entire risk management process, with the Risk Management Committee, consisting of company directors, the CEO, and senior executives, are responsible for supervising the organisational risk management process in accordance with the risk management policy. The Enterprise Risk Management department drives the risk management process.

Furthermore, as the company operates an airline business, which places great importance on safety, it strictly adheres to aviation regulations to ensure the safety of both passengers and employees. The company has a Safety Department, overseen and driven by the Safety Committee, and a Quality Control Department that supervises compliance with international aviation regulations, Thai regulations, and the regulations of all countries where the company operates flight routes. These units also adhere to risk management principles in their operations.





Risk Management Framework

Each department has an assigned manager responsible for gathering risk issues and coordinating with the Risk Management department. This involves regularly conducting risk management processes to review and update risk information and the effectiveness of risk controls every quarter. The Risk Management department organises workshops to review risks, especially for departments crucial to the company’s objectives and business goals. The company systematically records risks to enable the Risk Management department and the Risk Management Committee to compile and analyse risks and the effectiveness of risk management across the company.

The risk management process includes Risk Identification, Risk Assessment, Risk Control, Risk Monitoring, and Risk Reporting.



The risk management policy categorises risks into four ratings: low, medium, high, and very high. It mandates comprehensive control or risk management measures. However, the company can only accept risks up to a moderate level after controls are applied. Risks from the high rating upwards are closely monitored by the Risk Management Committee, Audit Committee, and the Board of Directors until the risk level is reduced to an acceptable level.

Risk Management Plan

The company plans to hold meetings of the Risk Management Committee at least twice a year to ensure the most effective risk management. The Risk Management Committee consists of the Executive Chairman, CEO, and management from key departments, along with the Risk Management department. They are responsible for supervising and coordinating with various departments to ensure a comprehensive risk management process from the operational level to the organisational level, covering all business units for complete risk management.

Subsequently, the Risk Management department prepares a risk management report to be presented to the CEO every quarter for monitoring, evaluating, and improving the risk management plan.

Additionally, the company aims for all executives and employees at every level to undergo training in risk management. This is to enhance awareness of the importance and framework of risk management, including practices that help manage the organisation’s risks most effectively. The Risk Management department has developed a Risk Management Awareness course through an e-learning system for the most effective risk management.

<p>⚙️ Risk Management Plans</p> <ul style="list-style-type: none"> • Raising awareness and emphasising the importance of risk management • Communicating Risk Management Policy and Framework • Strengthen the risk management culture <p>👤 Employee Level All</p> <p>📅 Frequency Year-round</p>	<p>⚙️ Risk Management Plans</p> <ul style="list-style-type: none"> • Facilitating workshops to help assess and manage risk <p>👤 Employee Level Manager</p> <p>📅 Frequency Quarterly</p>	<p>⚙️ Risk Management Plans</p> <ul style="list-style-type: none"> • Risk management reporting <p>👤 Employee Level Head of Department</p> <p>📅 Frequency Quarterly</p>
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Risk Factors

The company is aware of various internal and external risk factors that could impact its business operations, financial position, performance, and business opportunities. It has analysed and prepared control measures to mitigate potential risks and help the company achieve its goals as per its strategy and direction. The significant risk factors currently affecting the business and those that may arise in the next 3-5 years, as assessed by the company, are detailed as follows:

Risk Factor	Business Risks	Operational Risks	Risks Concerning Shareholders Right	ESG Risks	Emerging Risks	Risk Factor	Business Risks	Operational Risks	Risks Concerning Shareholders Right	ESG Risks	Emerging Risks
The company's business operations rely on its relationship with Capital A Berhad.	●					Aviation business emits carbon dioxide				●	
Jet fuel price volatility.	●					Operations may be affected by natural disasters				●	
Economic factors affect the company's strategy.	●					The quality and efficiency of employees can impact the sustainability of the business.				●	
Aircraft maintenance costs rise with fleet age.	●					The company's operations may affect communities, society, and the environment.				●	
Failure to maintain financial ratios.	●					Corporate governance misconduct				●	
Foreign exchange rate volatility.	●					Personal data breach				●	
Confidence in the safety of air transportation	●					Violating human rights				●	
Using solely Airbus A320 family aircraft and CFM56-5B and LEAP-1A engines across the fleet.		●				Declining Investor Confidence in the Thai Corporate Bond Market					●
Relying on the internet and automation systems		●				Disruption in the supply chain					●
Compliance with safety and worldwide aviation standards.		●				Airport capacity constraints in Thailand.					●
Having a major shareholder with over 25% ownership.			●			Geopolitical conflict may impact a company's strategies.					●
Non-Thai nationals may be denied shareholding			●								

Remark: There may be other risks not yet apparent or beyond the company's control, which could also negatively impact the business.



Business Risks



1. The company's business operations rely on its relationship with Capital A Berhad.

The company is supported by Capital A in various aspects, including granting Thai AirAsia Co., Ltd. the exclusive right in Thailand to use the "AirAsia" name and trademark for business operations and access to marketing, business, and customer service expertise. Additionally, the company leases several aircraft under operational lease agreements from AirAsia Mauritius ("AAM"), a subsidiary of AirAsia Berhad ("AAB"), for aircraft procurement and allocation management in each country. Airbus, the manufacturer, does not contract directly with Thai AirAsia Co., Ltd. These lease agreements are set to expire between the years 2022 and 2031. The company also relies on online distribution channels from AirAsia Com Travel Sdn Bhd ("AACOM") and utilises shared support services from AirAsia Sea Sdn. Bhd ("AASEA"). Furthermore, the company has a contract with Asia Digital Engineering ("ADE"), a subsidiary of AAB, for engineering and maintenance support.

For information technology, such as core software systems, the company also depends on systems from Capital A, centred in Kuala Lumpur, Malaysia, like [1] NewSkies developed by Navitaire for seat management/reservations and ticket sales, [2] Oracle Cloud Application for financial and procurement operations, and [3] Swiss Aviation Software Ltd.'s AMOS for aircraft maintenance engineering and logistics.



Relying on the relationship with Capital A could pose operational cost risks if Capital A increases fees, which the company might not be able to afford, risking the revocation of rights. Moreover, systems developed through Capital A may not be suitable for the environment and market conditions of Thai AirAsia Co., Ltd., and any malfunction in core software systems could also impact its operations.

To address these issues, the company's senior management regularly meets to assess situations related to the relationship and dependency on Capital A. They have developed contingency plans for the core software systems used by Thai AirAsia Co., Ltd. and prioritised aircraft spare parts for Thai AirAsia Co., Ltd. to ensure prompt maintenance and repair execution.

2. The volatility of jet fuel prices can significantly impact the company's performance.

It is well known that the airline business relies on fuel energy to power aircraft. Although the company has a strategy to

set ticket prices at a level that allows for some cost volatility, a significant and rapid increase in prices to a specific point over time may have an adverse effect on the company's profitability.

In 2023, the fuel cost for Thai AirAsia accounted for approximately 35% of the cost of sales and services. Specifically, in the third quarter, the fuel cost proportion increased to 40% due to significant global oil price hikes, restraining the company's profitability.

The company analyses and forecasts fuel prices in advance for plan fuel purchases and adjust fare rates to align with costs and maintain profits. However, there are two limitations to this approach. First, the company cannot adjust fares for flights already sold in advance. Second, competition in pricing and the maximum fare rates for domestic flights, which must not exceed the rates set by the Civil Aviation Authority of Thailand (CAAT), may prevent the company from adjusting fares to reflect actual costs.

3. Airlines are businesses sensitive to changes in economic conditions. A sudden downturn in the overall economy can adversely affect the company's performance, necessitating a strategic business adjustment.

Airlines are businesses that bear high costs, particularly fixed costs such as aircraft leasing, facility renting, and airport service fees. The company's primary source of income may be uncertain due to decreased travel demand caused by economic factors like higher inflation and interest rates.

This risk can occur both in Thailand and destination countries, as evidenced by the decrease in the volume of international travel by Chinese tourists in 2023 compared to 2019, due to the Chinese economy not fully recovering from the COVID-19 pandemic. This impacted tourists' confidence and spending, including their international travel plans. Such events affect the company's planned strategies.

In response, the company adjusts its flight strategy by reducing flights to destinations with decreased travel demand and increasing flights on other routes, especially domestic flights. The revenue and expenses resulting from this strategic adjustment differ from the original business plan, which may prevent the company from achieving its intended goals.

4. The company's aircraft maintenance costs tend to increase with an ageing fleet.

Generally, the cost of maintaining older aircraft is higher than that for newer ones. Therefore, as the company's fleet ages, it requires more maintenance to ensure safety and compliance with aviation regulations, leading to higher maintenance expenses. This risk factor affects the company's profitability. In 2023, the average age of the company's fleet was 10 years, leading to an increasing trend in aircraft maintenance and repair costs, which is a significant factor to consider in strategic and financial planning.

Consequently, the company has strategised to modernise and standardise its fleet by ordering new aircraft. Even though the leasing cost for newer aircraft models may be higher due to global aircraft price trends, it is justified by the benefits obtained, as newer aircraft feature more advanced technology and tend to be more fuel-efficient.



5. The Company may be required to repay the entire amount of loans from financial institutions if it fails to maintain financial ratios.

The Company must maintain the net financial debt-to-equity ratio (Debt Covenant) with financial institutions at the end of 2023 not exceeding 3 times. As of 31 December 2023, the above ratio could not be calculated due to negative equity. Therefore, it is considered that the Company is unable to maintain financial ratios (Covenant) in accordance with the requirements of financial institutions. However, the Company received a letter of waiver from financial institutions on 21 December 2023 for the 2023 financial statements which was not considered a breach of the loan agreement.

However, if the Company has an increased debt burden or has poor operating performance, there may be a risk that the Company will not be able to maintain financial ratios in accordance with the terms and conditions with financial institutions if the financial institution does not grant a waiver. This may result in such financial institutions calling for premature repayment, resulting in the Company losing liquidity and being unable to pay debts which may be in the category of debenture default (Cross Default).

In this regard, the Company has remedies and supporting plans to maintain the ratio of debt to shareholders at an appropriate level as follows:

- (1) Negotiate with financial institutions regarding the Company's operating results to request a waiver
- (2) Improve operational results to return to profitability.

6. Volatility in foreign exchange rates can negatively impact the business, financial position, performance, and business opportunities of the company.

Since the Company's revenues and expenses are denominated in many foreign currencies, the Company has effectively managed the risk of exchange rate fluctuations. It is managed under a natural hedging policy, i.e. a management of expenses to be in the same currency as revenue as much as possible. After that, the Company manages cash flow by converting the balance of each currency into the currency in which the Company's main expenses are used, such as maintenance contracts, aircraft lease agreements, and aviation fuel supply contracts. This is conducted through structured loans in different currencies adjusted to correspond to the currency of Net Operating Cash Flow. Also, the Company reduces the risk of excessive foreign currency debt by trying to have more Baht- denominated debt in order to reduce the volatility of gains/losses from exchange rates in the Company's financial statements. The Company manages the risk of foreign exchange with financial instruments such as cross-currency swap (CCS) as well as spot and forward foreign exchange. Although the Company has entered into foreign currency hedging transactions, managing such risks may not completely eliminate them.

7. The aviation industry faces safety concerns, such as terrorism, accidents from other airlines, or threats, which affect air travel confidence. Additionally, the industry incurs costs in ensuring safety and preventing these threats.

Terrorism, threats, and aviation accidents, even if not directly involving the company, impact confidence in air travel. This compels both the company and the industry to implement stringent security measures. While these measures enhance safety and passenger confidence, they also represent significant time and financial costs for the company. For instance, passengers have to undergo multiple security checks before boarding, which can affect the competitiveness of the aviation industry compared to ground transportation or other alternatives like businesses opting for video conferences instead of in-person meetings.

Further terrorist attacks or other conflicts, even if not directly related to the aviation industry, or the fear of such events, such as heightened security alerts, travel restrictions, or flight cancellations, can significantly impact both the company and the aviation industry.



Operational Risks

1. Operating the business using only the Airbus A320 family of aircraft and engines of the types CFM56-5B and LEAP-1A for the entire fleet.

The company operates Airbus A320 family aircraft equipped with CFM56-5B and LEAP-1A engines. Using a single aircraft family could lead to delays in delivering new Airbus aircraft as per the company's order. Additionally, if design flaws or issues are found in the Airbus aircraft or CFM56-5B and LEAP-1A engines, it could impact the entire fleet, potentially requiring the aircraft to be grounded for repairs or modifications. This could affect business operations and passenger confidence. The end of lease agreements could also impact the company's flight operations and finances due to the volatility of used A320 aircraft prices.

The company has conducted a preliminary risk assessment covering all aspects of this aircraft and engine type before usage. This assessment considered the data and history of each aircraft model, confirming their high safety standards and cost-effectiveness for the company's operations. The company continuously monitors news and updates its operations in collaboration with Airbus, other manufacturers, and maintenance units. It systematically manages aircraft maintenance and repairs to prevent or minimise potential damage that could impact operations. Additionally, the company evaluates market conditions and the potential for selling aircraft at the end of their service period to maximise operational flexibility with the remaining fleet and prevent disruptions in regular company operations.



2. The Company is dependent on automated systems and the internet in its business operations

As part of the leading sustainable travel technology company, Thai AirAsia automates its business and improves efficiency through technology adoption connected to the internet, which facilitates passengers and company in many facets of an operation. Online reservations via AirAsia.com and AirAsia Super App increased up to 47 percent in 2023. Online technology is another tool to enhance business communication. It can be used to increase effective communication both internally and externally to improve brand awareness, purchase decisions and brand loyalty as well as achieve seamless organisational alignment and operational efficiency.

Thai AirAsia continues to improve network performance, accuracy and connectivity in order to satisfy the demands of passengers as a failure of connectivity can be catastrophic to the Company, exposing it to the risks of penalty charges, lost revenue, reduced productivity and customer complaints. In regard to collaboration with AirAsia Group, Thai AirAsia has a standardised review process and measurement of network performance along with backups and business continuity plans against any disruptions.

3. Risks related to compliance with policies, laws, regulations, and standards concerning safety oversight and global aviation standards.

The Civil Aviation Authority of Thailand (CAAT) is the primary regulatory body overseeing regulations related to Thailand's aviation industry, including operational and safety regulations, aircraft licencing, and various aviation operation certifications. CAAT also periodically issues directives or practices related to air travel and maintenance. These directives or guidelines can be issued with or without prior notice. Non-compliance with CAAT's standards, orders, or practices could result in flight suspensions, route suspensions, flight number limitations, or revocation of certain rights or licence by the regulatory body.

To ensure compliance with CAAT's standards, orders, practices, and IATA's global standards, particularly the IATA Operational Safety Audit (IOSA) standards for safety, the company has a Corporate Safety department. This department, equipped with personnel and resources, is

responsible for planning and inspecting safety-related issues across all departments. It continuously monitors and assesses safety and regularly communicates key safety issues to employees. Additionally, the company's Operational Quality Assurance department and Internal Audit department collaborate to regularly inspect each department's operations to ensure compliance with safety standards, laws, regulations, and international standards.

In 2023, CAAT revised its aviation regulations from the existing ones to the Thailand Civil Aviation Regulations (TCARs) to align with the standards set by the International Civil Aviation Organization (ICAO) and the European Union Aviation Safety Agency (EASA). TCARs cover airworthiness, flight operations, airport personnel licencing, air navigation services, and drones, enhancing safety, operational efficiency, and environmental responsibility in Thailand's



aviation sector. The transition process from the old regulations to the new TCARs began in late 2023 and is expected to be completed by 2027. During this transition, the company has started reviewing the legal requirements, assessing risks associated with these changes, and updating its systems to align with international standards. This regulatory change may lead to increased operational costs

Risks Concerning Shareholders Rights



1. Risk arising from the company having a major shareholder with over 25% ownership.

Asia Aviation Plc. has a major shareholder, AirAsia Aviation Group Limited, holding 40.71% of the total issued shares. This substantial shareholding could enable AirAsia Aviation Group Limited to exercise its right to veto or not approve resolutions in shareholder meetings on matters where the company's by-laws or relevant laws require approval by not less than three-quarters of the votes of the shareholders present and eligible to vote.

2. Non-Thai nationals may be denied shareholding to prevent them from owning more than 49%, which would cause the Company to violate the Air Navigation Act B.E. 2497 and other relevant laws, potentially leading to the revocation of the company's licence.

Asia Aviation Plc. must comply with the Foreign Business Act B.E. 2542 (1999) and the Revolutionary Council Announcement No. 58, as well as the Aviation Act B.E. 2497 (1954). These laws stipulate that Thai AirAsia Co., Ltd. must not have shareholders who do not meet the criteria set by the Aviation Act (such as non-Thai nationals) holding directly or indirectly more than 49% of the total shares in the company. If there is a share transaction from Thai nationals or Thai legal entities, as allowed by law, to non-Thai nationals that exceeds this threshold, it could lead to the revocation of the company's aviation license.

To prevent non-Thai nationals from holding shares beyond the specified limit, the company's regulations state that foreign ownership in Asia Aviation Plc. must not exceed 0.1% of the total issued and outstanding shares, unless approved by a shareholders' meeting. The company has appointed the Thailand Securities Depository Co., Ltd. (TSD) to refuse the registration of share transfers to non-Thai nationals, which may result in such shareholders having to sell their shares.

Additionally, before the share register's closing date, the company will review the list of shareholders and reject those not qualifying under the legal criteria to the extent that it affects the company's right to operate in aviation. The company communicates to foreign investors the risk involved and advises them to invest in the company through Non-Voting Depository Receipts (NVDRs) instead.



Risks Concerning ESG



1. The company provides air transportation services, which involve combusting fuel to generate energy and emit carbon dioxide.

The company recognises that its operations contribute to carbon dioxide emissions, contributing to global warming. Data from the International Energy Agency (IEA) showed that in 2023, the aviation industry accounted for 2% of global combustion-related emissions. To mitigate this impact, the International Civil Aviation Organization (ICAO) initiated the Carbon Offsetting and Reduction Scheme for International

Aviation (CORSIA), a global programme to manage pollution from international air travel. CORSIA, agreed upon in 2016, requires airlines operating aircraft weighting over 5,700 kilogrammes and emitting over 10,000 tonnes of CO₂ annually on international routes, and having operated for more than 3 years, to monitor and report their emissions from 2019 and purchase emissions reduction units to cover the increase in CO₂ emissions above baseline levels. The goal is to achieve net-zero greenhouse gas emissions by 2050. Compliance with CORSIA helps international airlines reduce their environmental impact and meet global regulatory requirements.

Therefore, the company must prepare to manage its carbon dioxide emissions and may incur costs to offset these emissions, leading to increased operational expenses such as carbon taxes and investments in new technologies to reduce carbon emissions. This could result in higher ticket prices and potentially decrease passenger demand. Additionally, the company has strategized to use fuel in the most efficient and least environmentally impactful way, encompassing four approaches: efficient fleet management, fuel-saving initiatives, sustainable aviation fuel usage, and carbon credit purchases. In 2023, the company undertook activities encompassing these approaches to minimise the impact of CO₂ emissions and regularly conducted meetings to assess potential risks.



2. Air passenger transport services may be affected by natural disasters.

Extreme weather refers to severe and abnormal atmospheric conditions that can have serious impacts on natural ecosystems and communities. Examples include heatwaves, heavy rainfall, typhoons, tropical cyclones, major floods, earthquakes, and volcanic eruptions. In the last 10-20 years, extreme weather events have become more frequent, intense, and unpredictable due to the rising average global temperature. These events, such as heatwaves, droughts, wildfires, major floods, and tropical storms, are occurring more frequently and with greater intensity, often outside of traditional seasonal patterns and are increasingly difficult to predict. This unpredictability can affect the company's ability to operate flights on affected routes, leading to flight schedule adjustments or cancellations, and can impact the airline's entire flight schedule, resulting in revenue loss and customer dissatisfaction.

Flight routes that are at risk from natural disasters include countries like India and the Philippines, which are classified as high-risk countries for impacts from climate change (based on the Global Climate Risk Index by Germanwatch in 2023). The company regularly assesses these risks annually and prepares business continuity plans to mitigate the impacts of these events. This preparation aims to reduce the damage to resources that may occur and to restore normal service operations in a timely manner.

3. The quality and efficiency of employees can impact the sustainability of the business.

Employees are a crucial factor in the company's operations. Therefore, the company is committed to recruiting and maintaining employee standards by strategizing to develop skills and enhance learning in line with continuous change. Investment in personnel development, both in terms of work skills and ethics, as well as plans to develop engagement and retain employees, are central to fostering sustainable organisational growth through the following activities:

1 Improving safety practices and providing a good, safe working environment for employees, along with balancing work and life.

2 Promoting coexistence by supporting gender equality and diversity without discrimination based on gender, age, race, origin, and disability.

3 Encouraging the participation of women in all roles.

4 Respecting the basic human rights of employees, coupled with not seeking benefits from child labour and having no forced labour.

In the fiscal year 2023, the company had 4,962 employees with a total compensation rate of 3,318 million Baht. The employee engagement score was 36, higher than the set target of 30. There was also a resignation rate of 6.2% among all employees, which was above the standard with a voluntary resignation rate increase of 1.5% from the previous year. Consequently, the Human Resources department has laid out approaches to create organisational commitment among employees to ensure continuous business growth.

4. The company's operations may affect communities, society, and the environment.

The company is aware that airline operations can have negative impacts on communities, society, and the environment. Therefore, it is committed to developing sustainable practices throughout the value chain and promoting responsible tourism awareness among stakeholders to minimise the impacts arising from its operations. This involves developing relationships with local communities through collaboration with government agencies and organising campaigns to promote and motivate stakeholder participation in

sustainable tourism. This is achieved through the Journey D project, which helps make communities widely known, stimulates economic circulation, creates employment rates, and supports community members in returning to work in their hometowns. Additionally, the company helps build a network to drive sustainability through the work of the AirAsia Academy, which aims to raise awareness and take action to elevate the sustainable value chain of tourism.

5. Corporate governance misconduct.

Good corporate governance is a key factor that promotes the success of the company, demonstrating its responsibility to shareholders, investors, stakeholders, and all related parties, and influencing business operations and the company's reputation. The company adheres to the Code of Best Practices for Directors of Listed Companies and follows principles and practices in line with the Principles of Good Corporate Governance for Listed Companies 2013 and the CG Code of 2017, as outlined by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The company regularly reviews and updates its corporate governance policies and communicates them to the board, executives, and employees for continuous adherence. The belief is that an efficient, transparent, and auditable organisational management system builds trust and confidence among shareholders, investors, stakeholders, and all related parties. This is a crucial factor in generating returns and increasing long-term value, as well as promoting the company's competitive ability for sustainable growth.





6. Risk of personal data breaches.

The competitive nature of business compels the company to adopt technology to enhance operational efficiency, necessitating the collection of passenger personal data in compliance with the law. This exposes the company to cybersecurity risks. Inadequate control could lead to data breaches, including theft of commercial information and personal data of customers or employees, impacting business operations, image, reputation, and trustworthiness of the company, or legal penalties for non-compliance.

The company implements various measures to protect personal data and other information under its care, such as:

- (1) Compliance with the Personal Data Protection Act (PDPA) 2019.
- (2) Implementation of company policies on data access control, data governance, and data security to ensure efficient use of information systems in line with international standards. This includes measures to prevent data leaks and network breaches, individual password policies for computer use, and appropriate system access verification.
- (3) Securing customer data across the AirAsia group with security measures developed from ISO 27001 information security standards and Payment Card Industry Data Security Standards (PCI DSS).
- (4) Internal data governance and monitoring systems to detect suspicious activities that could lead to data breaches.

(5) Raising cybersecurity awareness about various threats, including educating employees on practices, prevention, and relevant IT laws, especially those handling critical data, to understand their responsibilities under the PDPA 2019.

(6) Regular drills for handling cybersecurity attacks and information system recovery plans to respond promptly and mitigate damages to IT systems and business operations.

7. Violations of human rights can impact the company's image and operations.

The company recognises the importance of human rights, which are fundamental rights that should be equitably provided to everyone, including employees, partners, customers, and stakeholders. Respecting human rights is a key principle affecting business operations. Failure to uphold human rights as expected by society and communities can impact the company's image and operations and erode employee trust.

To address this, the company has established policies and processes to prevent and control human rights violations in its operations and to foster awareness within the company. The company believes that these efforts, apart from contributing to a better society, also enhance employee satisfaction with the company. The human rights policies include fair recruitment practices, prohibition of forced labour and human trafficking, ensuring no employment of individuals under 18 through the human resource management system, fair performance evaluation systems, fair compensation, fair promotion processes, and appropriate benefits. These guidelines are specified in the corporate code of ethics, which has been approved and implemented. Additionally, the company has a committee responsible for regularly surveying, inspecting, and reviewing human rights risks.



Emerging Risks



1. Declining Investor Confidence in the Thai Corporate Bond Market

In response to the uncertain situation in Thailand's private bond market in 2022, where several companies defaulted on their debt obligations, investors have become sceptical about the debt repayment capabilities of private companies, especially those rated as Non-investment Grade. The company, rated BB+ by TRIS, also falls into this category. This lack of confidence could hinder the company's ability to issue and sell new bonds to repay its maturing debts in 2024, amounting to 1,435 million baht.

The company is well aware of this risk and is closely monitoring the situation with its bond underwriters, who assure that investors still have confidence in the company, making it likely to successfully sell the bonds as planned. Moreover, the company has contingency plans in place in case the bond issuance does not meet its targets, such as seeking loans from financial institutions or increasing capital. However, if the company is unable to fully issue new bonds, it still has alternative funding sources, including loans from related companies and operational cash flow. If these backup sources are insufficient, the company may need to find additional liquidity or negotiate revised repayment terms. Failure to secure this additional liquidity could result in a default on the maturing debt.

2. The disruption of the supply chain during the COVID-19 pandemic has resulted in increased costs for aircraft maintenance and higher aircraft lease rates.

Although the COVID-19 pandemic has subsided and the supply chain for the production and maintenance of aircraft is recovering, the demand for both new aircraft and pending maintenance services remains high. This demand exceeds the production capacity of manufacturers and the service capacity of maintenance providers, leading to a rapid increase in the costs of leasing new aircraft and maintenance expenses. These rising costs will ultimately impact the expenses of all airlines.

Thai AirAsia Co., Ltd. is well aware of this situation. The company is committed to continuously developing and improving its aircraft usage and maintenance plans to reduce overall maintenance costs. It is negotiating with both existing and new maintenance service providers to achieve more beneficial agreements. Additionally, the company has adjusted its business plan to align with this supply chain situation.

3. Limitations in accommodating flight volumes at airports in Thailand prevent the company from increasing flight frequency.

The company utilises Don Mueang International Airport (DMK) as its primary base for domestic and international routes to develop a regional aviation network. This is followed by other major Thai airports such as Suvarnabhumi Airport (BKK), Chiang Mai International Airport, Phuket International Airport, and Hat Yai Airport. Managed by Airports of Thailand Public Company Limited (AOT), these airports have the capacity to allocate flight slots within the framework of AOT's management and business plan. The available slots at these airports are limited and highly competitive, especially during peak passenger times. Inadequate or lost prime time slot allocation can impact the company's competitiveness. Additionally, other limitations to consider include the number of aircraft that can be accommodated, passenger terminal capacity, the quality of airport ground service management in Thailand by related operators, and restrictions related to runway length and strength, which limit the maximum load of aircraft.

As the company plans to increase flight frequency, it must consider the airports' capacity to handle this increased frequency as a factor in its strategic planning. Furthermore, AOT is currently undertaking the Don Mueang Airport Development Project Phase 3, which is expected to be completed and operational by 2029. Although this plan will significantly increase passenger capacity, there are still limitations in accommodating the number of flights per hour.

4. Geopolitical conflict may affect the Company's strategies.

Under the current international political conflict scenario, which easily affects the decisions of various national governments and could lead to the implementation of measures impacting the demand for travel to Thailand, such as visits by important figures, military exercises in disputed waters, or unintentional offending actions by the Thai government or politicians towards conflicting countries. Despite these uncertainties being unpredictable risk factors, the company is prepared and flexible enough to adapt its business plan to accommodate these changes.





Wellness Life Group Thailand

เราเป็นผู้เชี่ยวชาญทางด้านการทำความสะอาด
ฆ่าเชื้อบนเครื่องบิน เพื่อให้ผู้โดยสารเกิดความมั่นใจ
และปลอดภัยจากเชื้อโรคทุกครั้งที่มาใช้บริการ
สายการบิน **airasia**



ปลอดภัย



ฆ่าเชื้อแบคทีเรีย



ทำจืดกลั่น



สแกนติดต่อเราแล้วใส่โค้ด
'WELLNESSFREE' เพื่อรับ
ทิชชู่เปียกฆ่าเชื้อ

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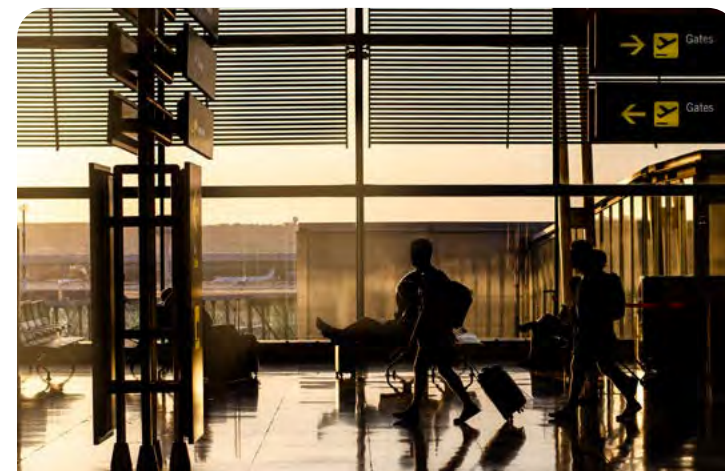
Management Discussion and Analysis (MD&A) FY2023



Executive Summary

Global airline production rebounds towards pre-pandemic levels, with Asia Pacific airlines showing a strong recovery.

Global RPK¹ in 2023 has rebounded to 94 percent of its 2019 levels, with North and Latin America surpassing their pre-pandemic performance, while the Asia Pacific region, mostly affected by China's slower reopening, has reached 86 percent of its 2019 levels. In Thailand, 28.2 million tourists were welcomed in 2023, showing a significant recovery from last year's 11.1 million but still below the 2019 figure of 39.9 million. According to AOT², international and domestic air passenger traffic in Thailand stood at 64 percent and 80 percent of 2019 levels, respectively, indicating a gradual resumption of aircraft capacity and potential growth in 2024.



Thai AirAsia transported 18.9 million total passengers with a clear leading position in the domestic market.

In 2023, Thai AirAsia carried 18.9 million total passengers, with a split of 63 percent domestic and 37 percent international passengers. The overall load factor remained robust at 90 percent. Although the total fleet slightly increased from 54 to 56 aircraft by year-end, Thai AirAsia successfully reactivated its operating aircraft from 42 to 52 during the period.

Thai AirAsia achieved a yearly record domestic passenger market share at 37 percent, thanks to its faster-than-industry fleet addition and reputation for exceptional on-time performance. Thai AirAsia capitalised on strong domestic demand year-round, achieving a remarkable 94 percent load factor.

Internationally, Thai AirAsia maintained a strong presence in ASEAN, serving 20 percent of its total capacity for this region. While China's reopening hasn't triggered a rapid burst of outbound tourism, partly due to domestic travel encouragement, Thai AirAsia still emerged as the leader for Thailand-China travel, transporting 1.1 million passengers and capturing a 15 percent market share. With sustained improvement over the year, the capacity allocated to China, Hong Kong, and Macau climbed up to 25 percent of Thai AirAsia's total capacity in 2023, still below the 44 percent seen in 2019.

Thai AirAsia's tourist traffic from India also fully recovered to 2019 levels with an impressive 90 percent load factor

vs 81 percent seen in 2019, thanks to strong demand and the introduction of new routes to Lucknow, Ahmedabad, and Guwahati. In addition, with new 7 weekly flights to Fukuoka proving popular, Thai AirAsia sets its sights on expanding its network within Japan.

Remained a thin core loss³ mainly due to high-cost operational environment

In 2023, Asia Aviation Public Company Limited ("the Company"), which owns 100 percent of Thai AirAsia, reported revenue from sales and services of Baht 41,421.5 million, a significant growth of 135 percent YoY. This growth was driven by a 90 percent YoY increase in total passengers and a 24 percent YoY growth in average fare, reaching Baht 1,780 per passenger. Ancillary revenue per passenger remained healthy at Baht 407, increasing by 22 percent YoY.

Total expenses amounted to Baht 40,165.1 million, a 50 percent YoY increase, primarily due to fuel, aircraft-related, and airport expenses from the increased capacity. As a result, the Company reported an EBITDA of Baht 7,032.4 million, a remarkable turnaround from a loss of Baht (1,277.9) million last year. The appreciation of the Baht also contributed to an unrealised FX gain of Baht 672.3 million. Consequently, the Company recorded a net profit of Baht 465.8 million, a significant improvement from a net loss of Baht (8,214.4) million last year. Excluding the FX gain, the Company's core loss⁴ improved substantially from Baht (6,852.5) million in 2022 to Baht (206.5) million in 2023.

¹ IATA

² Air Transport Statistic, AOT

³ Net profit adjusted by FX gain/loss

⁴ Net profit adjusted by FX gain/loss



Target revenue growth of 20–23 percent in 2024 and turn core profitable

Thai AirAsia expects the tourism industry to continue its momentum in 2024, driven by the sustained domestic demand and a forecast of 8.2 million⁵ Chinese inbound tourists by the Tourism Authority of Thailand (“TAT”). Revenue from sales and services is to grow by 20-23 percent YoY, supported by an expanded fleet of 60 aircraft, passenger growth, and stable fares. Despite challenges in cost reduction, Thai AirAsia is determined to achieve core profitability, and actively collaborate with the regulator for sustainability initiatives in 2024.



Financial Performance Summary

Asia Aviation Public Company Limited (“the Company”) is the sole shareholder of Thai AirAsia Company Limited (“Thai AirAsia”), an airline operator of Thai AirAsia, which the Company holds 100 percent.

Asia Aviation’s financial performance for the year ended 31 December 2022 and 2023 are summarised below:

Statement of Comprehensive Income

Asia Aviation Public Company Limited Unit: Baht million	Consolidated For the three-month period ended 31 December		Change	Consolidated For the year ended 31 December		Change
	2023	2022		2023	2022	
Total revenues	15,051.4	12,498.8	+20%	42,950.1	18,290.8	+135%
Total expenses	10,956.8	8,218.0	+33%	40,165.1	26,766.4	+50%
Profit (loss) from operating activities	4,094.7	4,280.8	-4%	2,785.0	(8,475.6)	N.A.
Profit (loss) for the period	2,813.6	3,114.4	-10%	465.8	(8,214.4)	N.A.
Equity holders of the Company	2,813.6	3,114.4	-10%	465.8	(8,030.0)	N.A.
Non-controlling interests of the subsidiary	-	-	-	-	(184.4)	+100%
Total comprehensive income for the period	2,813.6	3,239.6	-13%	457.9	(7,978.3)	N.A.
Equity holders of the Company	2,313.8	3,239.6	-13%	457.9	(7,846.3)	N.A.
Non-controlling interests of the subsidiary	-	-	-	-	(132.0)	+100%
Basic/Diluted earnings (loss) per share (Baht)	0.2221	0.2393	-7%	0.0379	(0.6921)	N.A.
EBITDA Reconciliation						
Profit (loss) from operating activities	4,094.7	4,280.8	-4%	2,785.0	(8,475.6)	N.A.
Gain (loss) on exchange rate	2,313.8	3,712.0	-38%	672.3	(1,361.9)	N.A.
Gain (loss) on derivatives	1.4	(80.6)	N.A.	70.9	(98.0)	N.A.
Gain (loss) from disposal assets	0.1	415.4	-100%	1.8	376.3	-100%
Depreciation and amortisation	1,305.9	1,394.8	-6%	4,992.4	6,114.1	-18%
EBITDA	3,085.2	1,628.9	+89%	7,032.4	(1,277.9)	N.A.

⁵ Tourism Authority of Thailand



Revenue

In 2023, Thai AirAsia witnessed a remarkable resurgence as the easing of global travel restrictions and a surge in demand for air travel contributed to a significant rebound. The Company's total revenue for the year reached Baht 42,950.1 million, marking a substantial increase of 135 percent from the previous year. With the resumption of international flights and an expanded route network, Thai AirAsia succeeded in transporting 18.9 million passengers, resulting in a 90 percent increase from the previous year. This growth was supported by a solid load factor of 90 percent, demonstrating the continuous high demand for air travel. Thai AirAsia also saw a 123 percent increase in Available Seat Kilometre (ASK) and a seat capacity growth of 76 percent. Notably, the domestic segment showed a faster-than-industry improvement, achieving 91 percent passenger recovery compared to the pre-pandemic level and securing a dominant passenger market share of 37 percent. Additionally, Thai AirAsia's international passengers have recovered to 77 percent of pre-pandemic levels. Out of passengers flown from 16 countries, only those from China, Hong Kong, Macau, Myanmar, and Cambodia remained below the 2019 levels, while the rest have already exceeded those of 2019. Thai AirAsia's on-time performance (OTP) was recorded at a leading 83 percent, but lower from 92 percent last year, following more passengers loaded per aircraft.

- **Revenues from sales and services** rose to Baht 41,241.5 million, marking a 135 percent increase from the previous year, driven by significant growth in passenger numbers and fare prices. Thai AirAsia successfully carried 18.9 million passengers, which represents a 90 percent increase from the same period last year. Additionally, the average fare increased by 24 percent to Baht 1,780, reflecting a healthy recovering market. Thai AirAsia ended the year with 52 operating aircraft out of a total fleet of 56, achieving a strong utilisation rate of 12.7 hours per aircraft per day. As a result, the **Revenue per Available Seat Kilometres (RASK)** increased to Baht 1.80, up from Baht 1.70 in 2022.
 - **Ancillary income** was Baht 7,676.0 million, an increase of 131 percent from last year, primarily driven by checked baggage, seat selection, in-flight services, and other service fees associated with the resumption of international flights. Ancillary income maintained its share at 19 percent of revenues from sales and services, returning to pre-pandemic levels. Consequently, ancillary income per passenger rose to Baht 407, up from Baht 334 in 2022.
- **Other income** was Baht 1,708.7 million, up 132 percent from last year, attributable mainly to the Baht 672.3 million gain from the unrealised foreign exchange, the expiration of unused travel credits incurred during the pandemic, and recognition of passenger service charges from no-show passengers.

Cost and Expense

Total expenses in 2023 totalled Baht 40,165.1 million, up 50 percent from last year, following the capacity expansion.

- **Cost of sales and services** amounted to Baht 36,811.6 million, a 56 percent increase from the previous year.
 - **Fuel costs** were Baht 15,302.2 million, up 85 percent from last year, due to higher fuel consumption from 114,571 flights flown, up 75 percent YoY. On the other hand, the average jet kerosene price fell by 16 percent year on year to USD 105 per barrel. The Company does not currently hold any fuel hedging position.
 - **Staff costs** were Baht 4,109.5 million, a 45 percent increase from last year due to an increase in personnel corresponding to an increase in flights and operating hours.
 - **Maintenance and overhaul costs** were Baht 6,222.2 million, up 56 percent from last year, owing to more aircraft check activities following flight resumption, coupled with higher aircraft utilisation and flight frequency.
 - **Other costs of sales and services** amounted to Baht 11,177.8 million, a 33 percent increase from last year, primarily due to an increase in guest services, ramp and airport operations in response to the improved number of flights, particularly the reinstatement of more international flights. Additionally, the AOT's discount scheme on parking and landing charges ended in March 2023.
- **Selling and administration expenses ("SG&A")** were Baht 2,966.5 million, up 73 percent from last year, mainly attributable to higher sale commissions for transactions made through AirAsia Com Travel. However, SG&A to revenues from sales and services decreased to 7.2 percent, compared to 8.2 percent in 2019.
- **Other expenses** were Baht 387.0 million, a 75 percent decrease from the same period last year due to the reversal of unrealised foreign exchange losses in 2022, which turned into gains in 2023 as the Baht appreciated against the USD.

Overall, the **Cost per Available Seat Kilometres ("CASK")** has dropped significantly, from Baht 2.62 in 2022 to Baht 1.81 in 2023. CASK ex-fuel was Baht 1.14, a substantial fall from Baht 1.81 in 2022, thanks to continuous cost management and an expansion in ASK.



Profit and Loss

In 2023, the Company made a remarkable improvement, recording an **EBITDA** of Baht 7,032.4 million, a significant shift from the previous year's negative EBITDA of Baht (1,277.9) million, attributable to a substantial recovery in operating performance. Finance costs totalled Baht 2,291.2 million, a slight increase of 3 percent from a higher amount of debt with the rising cost of funds. After factoring in an income tax expense of Baht 60.8 million, the Company reported a **net profit** of Baht 465.8 million, representing a substantial improvement from the net loss of Baht (8,214.4) million reported in 2022. Excluding the impact of foreign exchange gain or loss, the Company has incurred a **core loss** of Baht (206.5) million.

Key Operating Statistics

Thai AirAsia Company Limited	4Q2023	4Q2022	Change	FY2023	FY2022	Change
Passenger Carried (Million)	5.10	4.06	+26%	18.88	9.95	+90%
Domestic	3.14	2.94	+7%	11.85	7.94	+49%
International	1.96	1.12	+75%	7.03	2.01	+250%
Capacity (Million seats)	5.64	4.52	+25%	20.89	11.90	+76%
Domestic	3.37	3.21	+5%	12.66	9.47	+34%
International	2.27	1.31	+75%	8.23	2.43	+239%
Load Factor (%)	90	90	-	90	84	+6 จุด
Revenue Passenger Kilometres (Million seats-km)	5,477	3,774	+45%	20,262	8,627	+135%
Available Seat Kilometres (Million seats-km)	6,189	4,246	+46%	22,945	10,308	+123%
Average Fare (Baht)	2,029	1,652	+23%	1,780	1,434	+24%
Revenue per Available Seat Kilometres (Baht)	2.01	1.95	+3%	1.80	1.70	+6%
Cost per Available Seat Kilometres (Baht)	1.84	2.02	-9%	1.81	2.62	-31%
Cost per Available Seat Kilometres (ex-fuel) (Baht)	1.08	1.23	-13%	1.14	1.81	-37%

⁶ Net profit adjusted by FX gain/loss

A snapshot of Asia Aviation's financial performance for the quarter ended on 31 December 2022 and 2023 is summarised below:

In 4Q2023, Thai AirAsia continued its positive trajectory, witnessing notable growth in passenger numbers which reached 5.1 million, marking a 26 percent increase year-over-year ("YoY") and a 12 percent increase quarter-over-quarter ("QoQ"). The domestic segment carried 3.1 million passengers, up 7 percent YoY and 16 percent QoQ, while the international segment saw a significant increase of 75 percent YoY and 6 percent QoQ, reaching 2.0 million passengers. During the quarter, Thai AirAsia expanded its network, resuming flights from Don Mueang to Gaya (India) and Shantou (China), and introducing new routes such as Don Mueang to Guwahati and Ahmedabad (India). Thai AirAsia ended the quarter with a fleet of 56 aircraft with 52 operating aircraft, achieving an overall load factor of 90 percent.

Total revenue for the quarter amounted to Baht 15,051.4 million, showing a 20 percent increase YoY and a substantial 52 percent increase QoQ. The average fare rose to Baht 2,029, up 23 percent YoY and 18 percent QoQ, reflecting a robust demand during the festive seasonality. **Ancillary income** grew to Baht 2,121.2 million, up 35 percent YoY and 15 percent QoQ, with ancillary income per passenger at Baht 416, driven by revenues from checked baggage and seat selection.

Cost of sales and services increased to Baht 10,236.4 million, up 35 percent YoY. Fuel costs rose to Baht 4,733.6 million, an increase of 40 percent YoY, following more

capacity flown and elevated jet fuel prices. Staff costs increased to Baht 1,060.4 million, up by 9 percent YoY in tandem with the increased flight operations. Maintenance and overhaul expenses reached Baht 1,737.3 million, marking a 91 percent YoY, mainly driven by the reactivation of more operating aircraft. SG&A expenses were Baht 729.4 million, increasing by 31 percent YoY mainly from higher commissions paid to AirAsia Com Travel.

In summary, The Company's **EBITDA** for 4Q2023 was reported at Baht 3,085.2 million, up 89 percent YoY. **Net profit** was recorded at Baht 2,813.6 million, marking a 10 percent decrease YoY. Excluding FX gains of Baht 2,313.8 million, **core profit**⁶ stood at Baht 499.9 million, significantly improved from Baht (472.4) million in 4Q2022.





Statement of Financial Position

Asia Aviation Public Company Limited Unit: Baht million	Consolidated		Change
	As of 31 December 2023	As of 31 December 2022	
Total assets	67,793.9	64,685.5	+5%
Total current assets	10,005.0	5,236.3	+91%
Total non-current assets	57,788.9	59,449.2	-3%
Total liabilities	59,381.5	56,731.1	+5%
Total current liabilities	25,023.1	21,893.1	+14%
Total non-current liabilities	34,358.5	34,838.0	-1%
Total shareholders' equity	8,412.3	7,954.4	+6%

Assets

As of 31 December 2023, the Company had Baht 67,793.9 million of total assets, increasing by 5 percent from the end of 2022 mainly from an increase in amounts due from related parties.

- **Current assets** were Baht 10,005.0 million, increasing by 91 percent compared to the end of 2022. The Company had cash and cash equivalents of Baht 1,284.5 million, increased by 61 percent, mainly from the improved cash flow from operations. Amounts due from related parties rose by 149 percent to Baht 6,331.3 million, mainly from sales received by other companies under AirAsia Group on behalf of the Company. Trade and other receivables rose by 40 percent to Baht 1,199.1 million, following an increase in sales and aircraft maintenance claimable.
- **Non-current assets** were Baht 57,788.9 million, which decreased by 3 percent compared to the end of 2022, mainly due to the depreciation of right-of-use assets and amortisation of aircraft maintenance reserves during the period.

Liabilities

As of 31 December 2023, the Company had Baht 59,381.5 million of **total liabilities**, increasing by 5 percent from the end of 2022 mainly from higher accrued expenses, debentures, and unearned income. Excluding lease liabilities, the Company had interest-bearing debt of Baht 8,661.3 million, up from Baht 7,298.8 million last year, with an average cost of fund at 5.3 percent.

- **Current liabilities** were Baht 25,023.1 million, increasing by 14 percent. Accrued expenses rose by 36 percent to Baht 6,615.3 million due to higher expenses in aircraft maintenance and operation-related expenses as well as short-term debt. Unearned income increased by 24 percent to Baht 4,972.0 million following higher ticket sale volume.
- **Non-current liabilities** were Baht 34,358.5 million, slightly decreased by 1 percent, mainly from the lower liabilities under lease agreements, offset by higher long-term debt.

Equity

As of 31 December 2023, the Company had Baht 8,412.3 million of **total shareholders' equity**, increasing by 6 percent from the end of 2022 mainly due to the profit for the period.

Cash Flow Statement

Asia Aviation Public Company Limited Unit: Baht million	Consolidated For the year ended 31 December	
	2023	2022
Net cash generated from (used in) operating activities	6,239.1	564.0
Net cash generated from (used in) investing activities	(926.3)	(589.7)
Net cash generated from (used in) financing activities	(4,820.8)	(4,530.7)
Net increase (decrease) in cash and cash equivalents	491.9	(4,556.4)
Unrealised exchange loss on cash and cash equivalents	(5.2)	(5.4)
Cash and cash equivalents at the beginning of the period	797.8	5,359.6
Cash and cash equivalents at the end of the period	1,284.5	797.8

In 2023, the Company generated a **net cash inflow from operating activities** of Baht 6,239.1 million from improved operations. **Net cash used in investing activities** amounted to Baht (926.3) million, mainly due to payments for aircraft maintenance reserves. **Net cash used in financing activities** amounted to Baht (4,820.8) million, primarily due to cash paid for aircraft lease agreements. The Company had net financing from loans and debentures of Baht 422.6 million and Baht 939.9 million, respectively. In summary, the Company had a Baht 491.9 million **net increase in cash and cash equivalents** and a Baht 1,284.5 million cash and cash equivalents balance at the end of the period.



Key Financial Ratio

Asia Aviation Public Company Limited	4Q2023	4Q2022	FY2023	FY2022
Current Ratio (excluding lease liabilities)	0.5x	0.3x	0.5x	0.3x
EBITDA Margin	26%	20%	17%	(7%)
Net Profit Margin	23%	38%	1%	(47%)
Return on Assets	4%	5%	1%	(12%)
Return on Equity	34%	25%	6%	(66%)
Net Interest-Bearing Debt-to-Equity Ratio (excluding lease liabilities)	1.0x	0.9x	3.1x	(0.6x)
Interest Coverage Ratio (excluding interest due to TFRS16)	13.9x	37.9x	11.5x	(2.8x)

Glossary

Load factor: Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers

Available seat kilometres (ASK): which is the total number of seats available on all flights multiplied by the number of kilometres these seats were flown

Revenue passenger kilometres (RPK): Revenue passenger kilometres, which is the number of paying passengers carried on all flights multiplied by the number of kilometres those seats were flown

Average fare: Calculated as Thai AirAsia's total passenger revenues and fuel surcharge divided by total number of passengers carried

Revenue per ASK (RASK): Calculated as Thai AirAsia's revenues divided by ASK

Cost per ASK (CASK): Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses divided by ASK

Cost per ASK (CASK ex-fuel): Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses less fuel costs divided by ASK

Average stage length (kilometres): Represents the average number of kilometres flown per flight

Aircraft utilisation: Represents the average block hours per day per aircraft during the relevant period. Lock hours are calculated by measuring the duration between the time of departure of an aircraft and the time of arrival at its destination.

Debt to Equity ratio (D/E): Calculated as Thai AirAsia's total interest-bearing debt divided by total equity

Net Gearing ratio: Calculated as Thai AirAsia's total interest-bearing debt less (cash and cash equivalents + short-term investment + deposit) divided by total equity

Gross profit margin: Calculated as revenues from sales and services less cost of sales and service divided by revenues from sales and services.

The earnings before interest and tax, depreciation, and amortisation (EBITDA) margin: Calculated as total income (excluding dividend income, gain on sale of investments, gain on sale of assets, finance income, gain on exchange rate, and gain on derivative) less total expenses plus depreciation and amortisation expenses divided by revenues from sales and services

Net profit margin: Calculated as profit for the period divided by revenues from sales and services

Return on assets: Calculated as profit for the period divided by average of total assets

Return on equity: Calculated as profit for the period divided by average of shareholder's equity



Financial Statements of Asia Aviation Public Company Limited for the Past Three Years

Statement of Financial Position

As of 31 December

	Audited 2021		Audited 2022		Audited 2023	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
	Assets					
Total Current Assets	7,672.9	10.8	5,236.3	8.1	10,005.0	14.8
Total Non-current Assets	63,535.4	89.2	59,449.2	91.9	57,788.9	85.2
Total Assets	71,208.3	100.0	64,685.5	100.0	67,793.9	100.0
Liabilities and Shareholders' Equity						
Total Current Liabilities	17,560.3	24.7	21,893.1	33.8	25,023.1	36.9
Total Non-current Liabilities	36,819.2	51.7	34,838.0	53.9	34,358.5	50.7
Total Liabilities	54,379.5	76.4	56,731.1	87.7	59,381.5	87.6
Equity Attributable to Owners of the Company	20,201.1	28.3	7,954.4	12.3	8,412.3	12.4
Non-controlling Interests of the Subsidiary	(3,372.3)	(4.7)	-	-	-	-
Total Shareholders' Equity	16,828.8	23.6	7,954.4	12.3	8,412.3	12.4

Statement of Comprehensive Income

For the year ended 31 December

	Audited 2021		Audited 2022		Audited 2023	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
	Total Revenues	4,508.2	100.0	18,290.8	100.0	42,950.1
Total Expenses	16,358.8	362.9	26,766.4	146.3	40,165.1	93.5
Profit (Loss) from Operating Activities	(11,850.6)	(262.9)	(8,475.6)	(46.3)	2,785.0	6.5
Profit (Loss)	(11,957.9)	(265.2)	(8,214.4)	(44.9)	465.8	1.1
Equity Holders of the Company	(6,647.5)	(147.5)	(8,030.0)	(43.9)	465.8	1.1
Non-controlling Interests of the Subsidiary	(5,310.5)	(117.8)	(184.4)	(1.0)	-	-
Total Comprehensive Income	(11,531.5)	(255.8)	(7,978.3)	(43.6)	457.9	1.1
Equity Holders of the Company	(6,386.9)	(141.7)	(7,846.2)	(42.9)	457.9	1.1
Non-controlling Interests of the Subsidiary	(5,144.6)	(114.1)	(132.0)	(0.7)	-	-
Basic and Diluted Earnings (Loss) Per Share	(1.2985)		(0.6921)		0.0379	

Cash Flow Statement

(Baht Million)

For the year ended 31 December

	2021	2022	2023
Net Cash Flows from (Used in) Operating Activities	(4,347.0)	564.0	6,239.1
Net Cash Flows from (Used in) Investing Activities	1,283.7	(589.7)	(926.3)
Net Cash Flows from (Used in) Financing Activities	7,313.6	(4,530.7)	(4,820.8)
Net Increase (Decrease) in Cash and Cash Equivalents	4,250.3	(4,556.4)	492.0
Unrealised Exchange Gain (loss) on Cash and Cash Equivalents	(1.1)	(5.4)	(5.2)
Cash and Cash Equivalents at Beginning of the Year	1,110.4	5,359.6	797.8
Cash and Cash Equivalents at End of the Year	5,359.6	797.8	1,284.5



Key Financial Ratios

Unit

For the year ended 31 December

		2021	2022	2023
Liquidity Ratio				
Current Ratio	times	0.4	0.2	0.4
Quick Ratio	times	0.4	0.2	0.4
Cash Ratio	times	(0.2)	-	0.3
Account Receivable Turnover Ratio	times	8.2	23.2	37.9
Average Collection Period	days	44.6	15.8	9.6
Inventory Turnover Ratio	times	47.7	74.5	80.9
Average Inventory Period	days	7.7	4.9	4.5
Account Payable Turnover Ratio	times	12.9	19.2	21.9
Average Payment Period	days	28.4	19.0	16.6
Cash Cycle	days	23.8	1.6	(2.5)
Profitability Ratio				
Gross Profit Margin ⁽¹⁾	percent	(193.2)	(34.1)	10.7
EBIT Margin ⁽¹⁾	percent	(309.5)	(48.3)	6.8
Other Income per Total Assets	percent	15.1	4.0	4.0
Net Profit (Loss) Margin ⁽²⁾	percent	(173.6)	(45.7)	1.1
Return on Equity	percent	(38.9)	(64.8)	5.7
Efficiency Ratio				
Return on Assets	percent	(9.6)	(11.8)	0.7
Return on Fixed Assets	percent	(7.4)	(6.1)	19.1
Asset Turnover Ratio	times	0.1	0.3	0.6
Financial Policy Ratio				
Debt to Equity Ratio	times	3.2	7.1	7.1
Interest Coverage Ratio	times	(2.2)	0.1	3.8
Cash Basis ⁽³⁾	times	(0.3)	(0.1)	0.7
Dividend Payout Ratio	percent	-	-	-

⁽¹⁾ Profit (loss) before finance costs and income tax revenue divided by the revenues from sales and services

⁽²⁾ Profit (loss) attributable to equity holders of the Company divided by the revenues from sales and services

⁽³⁾ Earnings before interest tax depreciation and amortisation (EBITDA) (excluding dividend income, gain (loss) on sales and investments, finance income, gain (loss) on the exchange rate, and gain (loss) on derivative)



Financial Statements of Thai Airasia Company Limited for the Past Three Years

Statement of Financial Position	As of 31 December					
	Audited 2021		Audited 2022		Audited 2023	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
Assets						
Total Current Assets	3,019.2	6.6	5,225.9	11.9	9,950.8	21.2
Total Non-current Assets	42,489.5	93.4	38,734.5	88.1	37,074.9	78.8
Total Assets	45,508.7	100.0	43,960.4	100.0	47,025.8	100.0
Liabilities and Shareholders' Equity						
Total Current Liabilities	19,975.7	43.9	22,027.3	50.1	25,095.4	53.4
Total Non-Current Liabilities	36,488.1	80.2	34,838.0	79.2	34,358.4	73.0
Total Liabilities	56,463.8	124.1	56,865.3	129.4	59,453.8	126.4
Total Shareholders' Equity	(10,955.1)	(24.1)	(12,904.9)	(29.4)	12,428.0	(26.4)

Statement of Comprehensive Income	For the year ended 31 December					
	Audited 2021		Audited 2022		Audited 2023	
	Baht Million	Percent	Baht Million	Percent	Baht Million	Percent
Total Revenues	4,507.5	100.0	18,289.5	100.0	42,949.4	100.0
Total Expenses	16,255.9	360.6	26,734.5	146.2	40,167.7	93.5
Profit (Loss) from Operating Activities	(11,748.4)	(260.6)	(8,445.0)	(46.2)	2,781.6	6.5
Profit (Loss) for the Year	(11,785.7)	(261.5)	(8,185.9)	(44.8)	463.0	1.1
Total Comprehensive Income	(11,359.3)	(252.0)	(7,949.8)	(43.5)	455.1	1.1
Basic and Diluted Earnings (Loss) Per Share	(262.62)		(90.36)		4.86	

Cash Flow Statement (Baht Million)	For the year ended 31 December		
	2021	2022	2023
Net Cash Flows from (Used in) Operating Activities	(4,327.9)	675.8	6,261.9
Net Cash Flows from (Used in) Investing Activities	1,280.8	3,304.3	(926.5)
Net Cash Flows from (Used in) Financing Activities	2,747.1	(3,891.7)	(4,888.1)
Net Increase (Decrease) in Cash and Cash Equivalents	(300.0)	88.4	447.2
Unrealised Exchange Gain (Loss) on Cash and Cash Equivalents	(1.1)	(5.4)	(5.2)
Cash and Cash Equivalents at Beginning of the Year	1,012.1	711.0	794.1
Cash and Cash Equivalents at End of the Year	711.0	794.1	1,236.1



Key Financial Ratios

Unit

For the year ended 31 December

		2021	2022	2023
Liquidity Ratio				
Current Ratio	times	0.2	0.2	0.4
Quick Ratio	times	0.1	0.2	0.3
Cash Ratio	times	(0.2)	-	0.3
Account Receivable Turnover Ratio	times	8.2	23.3	38.0
Average Collection Period	days	44.4	15.7	9.6
Inventory Turnover Ratio	times	47.5	74.5	80.9
Average Inventory Period	days	7.7	4.9	4.5
Account Payable Turnover Ratio	times	12.8	19.2	21.9
Average Payment Period	days	28.5	19.0	16.6
Cash Cycle	days	23.5	1.6	(2.5)
Profitability Ratio				
Gross Profit Margin ⁽¹⁾	percent	(191.7)	(34.1)	10.7
EBIT Margin ⁽¹⁾	percent	(306.9)	(48.1)	6.7
Other Income per Total Assets	percent	15.1	4.0	4.0
Net Profit (Loss) Margin ⁽²⁾	percent	(307.8)	(46.6)	1.1
Return on Equity	percent	163.1	68.6	(3.7)
Efficiency Ratio				
Return on Assets	percent	(26.0)	(18.3)	1.0
Return on Fixed Assets	percent	(22.5)	(6.6)	19.1
Asset Turnover Ratio	times	0.1	0.4	0.9
Financial Policy Ratio				
Debt to Equity Ratio	times	(5.2)	(4.4)	(4.8)
Interest Coverage Ratio	times	(2.3)	0.2	3.8
Cash Basis ⁽³⁾	times	(0.3)	(0.1)	0.7
Dividend Payout Ratio	percent	-	-	-

⁽¹⁾ Profit (loss) before finance costs and income tax revenue divided by the revenues from sales and services

⁽²⁾ Profit (loss) attributable to equity holders of the Company divided by the revenues from sales and services

⁽³⁾ Earnings before interest tax depreciation and amortisation (EBITDA) (excluding dividend income, gain (loss) on sales and investments, finance income, gain (loss) on the exchange rate, and gain (loss) on derivative)



General and Other Information



General Information

Company Name

Asia Aviation Public Company Limited (AAV)

Type of Business

A holding company investing in business of low-fares airline or relevant business in relation to airline operation

CG Scoring

Excellent

Head Office

222, Don Mueang International Airport,
3rd Fl., Central Office Bldg.,
Room no. 3200, Vibhavadee Rangsit Road,
Sanambin, Don Mueang, Bangkok 10210

Tel

02-562-5700

Fax

02-562-5705

Website

www.aavplc.com

Registration Number

0107554000313

Authorised and Paid-up Capital as at 31 December 2023

Authorised capital of Baht 1,285,000,000.00

Paid-up capital of Baht 1,284,999,999.70

from common stock of 12,849,999,997 shares

at the par value of Baht 0.10

Subsidiary's General Information

Subsidiary Name

Thai AirAsia Company Limited

Type of Business

A low-fares airline or relevant business in relation to airline operation

Head Office

222, Don Mueang International Airport,
3rd Fl., Central Office Bldg.,
Room no. 3200, Vibhavadee Rangsit Road,
Sanambin, Don Mueang, Bangkok 10210

Tel

02-562-5700

Fax

02-562-5705

Authorised and Paid-up Capital as at 31 December 2023

Authorised and paid-up capital of Baht 967,969,520

from common stock of 96,796,952 shares

at the par value of Baht 10

Shareholding

100.0%

References

Registrar

Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Building,
93 Rachadapisek Road,
Dindaeng, Bangkok 10400

Tel

02-009-9999

Fax

02-009-9991

Website

www.tsd.co.th

Auditor

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

Tel

02-264-9090

Fax

02-264-0789-90

Website

www.ey.com



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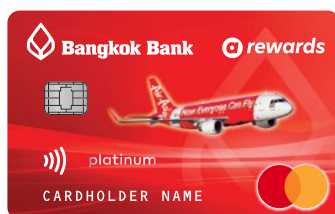
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Sustainable Business Development

(GRI 2-22, 2-23, 2-24, 2-27)



Sustainability Management Policy, Commitment and Goals

Sustainability Management Policy and Sustainability Commitment

The Company is dedicated to being a service provider that delivers worthwhile journeys while also elevating its value chain and taking responsibility for its effects by caring for both its internal and external stakeholders, seeking out opportunities for mutual growth. Thai AirAsia is driven by the 3G (Good/Green/Growth) strategy, which encompasses the three pillars of sustainability: Environment, Social and Governance.

In 2023, Thai AirAsia revised and announced its sustainability policy to better align with Capital A. The policy comprises:



6 Environmental matters

Six environmental matters focusing on compliance with environmental regulations and requirements of the Civil Aviation Authority of Thailand and related agencies with an aim to achieving Net Zero carbon emissions by the year 2050.

7 Social matters

Seven social matters focused on improving safety operations, providing a safe and good work environment and the fostering of a corporate culture of diversity, equality and respect to the human rights of all personnel throughout the supply chain.

5 Governance matters

Five governance matters focused on operating with transparency and in accordance with the Sustainable Development Goals (SDGs) of the United Nations. Moreover, the policy is aligned with the Company's sustainability strategies and direction.

The Company also set sustainable development goals aligned with the UNSDGs. This is also the first year that the Company has established a sustainability working group to track sustainability endeavours and alignment with goals. The group began meeting in June 2023. At the same time, the Corporate Governance and Sustainability Committee reviews implementations at least twice a year.



Sustainable Business Vision

We are committed to being an airline that engages in sustainable business practices and will apply the standards of our industry to hone our competitive advantage while upholding the sustainability indicators recognised on the world stage and by the stock market. We aspire to list on a global sustainability index in the future.

Sustainable Business Mission

Sustainability is to be instilled as a part of our corporate culture. We will:



Understand

how sustainability affects our business



Be responsible

to society, the economy and the environment and integrating factors for sustainability into our business decisions



Innovate

to surpass requirements and return value from sustainability to our business

SUSTAINABILITY STRATEGIES

GOOD

Thai AirAsia operates with adherence to the principles of good governance, conducts its business with strict compliance to laws, rules, regulations, contracts and agreements, with transparency and accountability, with respect towards human rights, treating labourers with fairness and justice, fostering a good organisational culture, investing in developing personnel both in terms of skills and ethics, creating growth opportunities for communities surrounding the tourism industry and supporting sustainable growth with the goal of becoming an organisation that is accepted and trusted by society and its stakeholders.

GREEN

Thai AirAsia is dedicated to effectively managing its resources and the environment, seeking to safeguard the environment from impacts generated throughout its supply chain. The Company targets and acts to mitigate its effect on the environment in all aspects at all times, so that it may grow with harmony and true sustainability while also campaigning for travel that is responsible to the environment.

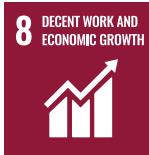



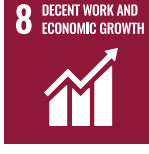

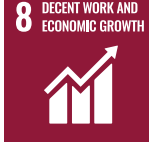

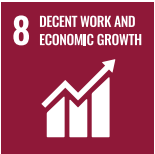
GROWTH

Thai AirAsia is dedicated to promoting sustainable social growth in all dimensions, starting with the growth of its own business to support social reinforcement. Thai AirAsia builds careers with stable income, creates opportunities and sources innovations that allow for safe and convenient travel alongside efficiently managing capital, communicates with stakeholders to ensure understanding and shares its knowledge and innovations by working with other organisations towards social sustainability, progress and positive change.

The strategies are in line with the Company's vision of "Being the leading sustainable travel technology company in Asia providing services with value greater than their cost" and mission to create a globally recognised, sustainable Asean brand focused on adding value to the economy, society and environment.



Read more about the Company's sustainability goals in the Sustainability Goals section of the 2023 Sustainability Report.

Sustainable Development Goals	Material Topics	2023 Objectives	Plans for Development
Economics – Good			
 	<p>Governance and Code of Conduct Employees know, understand and act with ethical conduct for the Company's transparency</p>	<ul style="list-style-type: none"> Corporate Governance and Sustainability Committee underwent relevant ESG training Employees notified of policies and trained in Code of Conduct 	<ul style="list-style-type: none"> Anti-corruption policy publicised, communicated and instructed to directors, managers and employees Safeguard against conflicts of interest and use of internal information publicised, communicated and instructed to directors, managers and employees
 	<p>Technology, Innovation and Information Security Management Employee technology in the conception and building of cooperation, ensure data privacy for employees, customers and third parties using strong cyber security systems</p>	<ul style="list-style-type: none"> Implement 2-Factor Authentication for all Company systems Add tags to all online documents 	<ul style="list-style-type: none"> Add security system for employees accessing computers on Company's network and enhance intranet infrastructure and stability
 	<p>Risk and Crisis Management Build confidence in the Company's flexible crisis management using robust management systems and internal controls that minimise risks</p>	<ul style="list-style-type: none"> 1 annual table-top emergency exercise at each station of the Company Stations score over 80% to pass emergency exercise evaluation 	<ul style="list-style-type: none"> Exercise scenarios changed each time to ensure readiness and understanding of various emergencies Emergency training developed towards employees understanding their roles and reviewed every 2 years
 	<p>Sustainable Supply Chain Foster sustainable supply chain using Supplier Code of Conduct that outlines best practices for partners under environmental and social expectations</p>	<ul style="list-style-type: none"> Support units to procure in accordance with environmental policies, acting as requested and acquiring or receiving data shared by partners Study ESG criteria relevant to auditing partners and plot application to annual partner audit 	<ul style="list-style-type: none"> Audit partners using ESG criteria in 2024 Train auditors on additional ESG criteria and material matters, support units as requested
	<p>Customer Relationship and Operational Performance Foster customer trust through development of routes and experiences as well as service quality towards greater satisfaction</p>	<ul style="list-style-type: none"> On-Time Performance of 90% Service efficiency measured by Net Promoter Score (NPS) of 50 	<ul style="list-style-type: none"> Operate in accordance with OTP strategies Perform root cause analysis and fix problems in a timely manner Monthly OTP operation and efficiency briefings



Sustainable Development Goals

Material Topics

2023 Objectives

Plans for Development

Environment – Green

**Climate Change Crisis Management**

Transition into Green Airline by achieving Net Zero carbon emissions by 2050

- Reduce Carbon Intensity Ratio to 3 gCO₂/RPK per year
- Maintain carbon emissions within ICAO standard

- Adoption of latest aerospace technology
- Operate with greater environmental efficiency
- Use of Sustainable Aviation Fuel
- Carbon offsetting

**Waste Management**

Reduce landfill waste from all main stations to zero by 2050

- Don Mueang station recycles 100% of non-hazardous waste

- Continue certification by Low Emission Support Scheme (LESS)
- Carry out waste separation and recycling

Social – Growth

**Health and Safety**

Add campaigns on occupational health and safety

- Maintain Lost Time Injury Frequency Rate (LTIFR) at below 1.12
- Zero Accident Campaign
- Increase number of voluntary safety reports
- Organise health activities and promote exercise

- Operate in accordance in Occupational Health and Safety plan declared in Safety Policy
- Arrange meetings to create participation of employees at all levels
- Employ safety risk management systems
- Employ safety assurance
- Promote health and safety through activities
- Transition employee safety training to online and E-Learning platforms

**Diversity and Inclusiveness**

Promote diversity and non-discrimination in the workplace as part of the Company's culture

- Employee satisfaction score (eNPS) no lower than 50

- Implement recruitment policy that does not discriminate based on gender, age, ethnicity, religion, sexual orientation, or disability
- Revise benefits to apply to a diverse range of employees
- Company leadership support for diversity and inclusiveness declared in company values
- Training provided on understanding and valuing diversity in the workplace



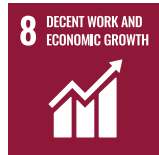
Sustainable Development Goals

Material Topics

2023 Objectives

Plans for Development

Social – Growth



Human Capital Management

Adjust structure and human capital appropriately, carry out Succession Planning, develop employees in skills necessary to the modern context, foster work life balance

- Turnover rate not exceed 5%
- Review and adjust human capital structures and plans for each department for alignment with business plan
- Employees receive an average 24 hours of specialised training and 2 hours of fundamental training per year

- Improve structure and operations for efficiency, appropriate resource consumption, adherence to Succession Plan
- Continually foster bonds within the Company through employee satisfaction surveys
- Improve training courses and formats



Human Rights

Respect employee freedom of expression, provide equality and provide health, work environment and personal information security

- Employee satisfaction score (eNPS) no lower than 50
- All employees acknowledge and operate with respect to human rights

- Operate with Workplace Welfare Committee
- Operate with Occupational Health and Safety Committee
- Review policies for support of human rights



Social Investment

Promote awareness and participation in community activities to uplift sustainable tourism value chain

- Organise activities for employees to support communities in Company served areas at least 2 times a year
- Organise 1 sustainable business skills development activity

- Activities promoting sustainable tourism in communities
- Cooperation with partners to encourage measurable proactive activities such as low carbon tourism
- Advertisements promoting confidence and trust in community tourism
- Activities promoting community sustainability among customers, managers and employees





Managing Impacts to Stakeholders in the Company Value Chain

1 Company Value Chain

The Company's value chain consists of primary activities, such as aircraft leasing, aerospace technology, ground handling service, airport facilities, operations, and fuel supply and support activities, including firm infrastructure, human resources, technological development, procurement aircraft, and marketing and commercial, etc.

The Thai AirAsia Value Chain illustrates relations between primary and support activities through the Upstream, Mid-stream and Downstream, to indicate the delivery of value to stakeholders, provision of excellent quality service and comprehensive meeting of passenger needs.





Value Chain

Activity	Customers	Employees	Investors	Financial Institutions	Government agencies	Media	Business Partners	Community, Society, Environment
Primary Activity								
• Aircraft Leasing		✓		✓	✓		✓	
• Aerospace Technology		✓			✓		✓	
• Ground Handling Service	✓	✓						
• Airport Facilities	✓	✓			✓			
• Operations		✓			✓		✓	
• Fuel		✓			✓		✓	
• Inflight Sales & Supply	✓	✓					✓	
• Logistics & Warehouses		✓					✓	
• Aircraft Maintenance		✓					✓	
• Resource and Waste Management		✓					✓	✓
Support Activities								
• Firm Infrastructure		✓	✓	✓	✓	✓	✓	✓
• Human Resources		✓						
• Technological Development		✓			✓		✓	
• Procurement		✓					✓	
• Commercial and Marketing		✓	✓	✓		✓		

2 Internal and External Stakeholders

Thai AirAsia engages with its stakeholders regularly to learn about their perspectives and expectations using discussions, stakeholder dialogues, online communication, seminars and from feedback directly from agencies relevant to each stakeholder group. All of this is to ensure the Company is comprehensively informed and able to use its knowledge to improve operations and direct its business towards meeting the needs of its stakeholders and building long-term shared value.

Thai AirAsia divides its stakeholders into nine main groups, namely; the Company's board of directors, state agencies, customers (passengers), communities, media, Allstars (employees), investors, financial institutions and business partners.

Read more about the Company's engagement with stakeholders in the Stakeholder Engagement section of the 2023 Sustainability Report.

3 Sustainability in the Environment Dimension

3.1 Environmental Management Policies

Thai AirAsia carries out environmental management and complies with requirements based on national and international laws, regulations and rules. The core principles of the Company's environmental management policy are as follows:

- Operate in accordance with the long-term objectives of the International Civil Aviation Organization with the aim of achieving Net Zero emissions by 2050. Invest effectively in



the fleet and upgrade its efficiency to reduce fuel usage and carbon emissions. Explore opportunities to reduce carbon emissions, especially through Sustainable Aviation Fuel and carbon offsets.

- Carry out environmentally-friendly procurement and include environmental criteria into supply chain procurement decisions. Support initiatives focused on sustainable tourism and biodiversity.
- Switched to environmentally-friendly packaging with engraved water bottles reducing the need for printed labels while also aiding in recycling. Shokupan packaging was switched from plastic to more readily-degradable cardboard.
- Promote responsible tourism and seek out opportunities to mitigate the impacts of mass tourism on the environment and society.

3.2 Environmental Results

The Company carried out the following key operations over the past year:

- Climate Change Preparation: Contacted domestic Sustainable Aviation Fuel suppliers to study production plan, distribution quantities, production methods, locations, initial costs, etc. and assessed the Company's economic impact in preparation to engage in carbon offsetting.
- Initiated a Sustainable Supply Chain working group to coordinate environmentally-friendly procurement with Capital A.

- Adopted innovations to reduce resource usage and waste, such as E-boarding to reduce paper while improving the efficiency of the passenger check-in process.

- Planned a Sustainable Tourism initiative

Read more about the Company's short-term/long-term environmental management goals in the "Environmental Performance - Green" section of the 2023 Sustainability Report.

4 Sustainability in the Social Dimension

4.1 Social Policies and Practices

The Company implements three main social policies and practices as follows:

Occupational Safety and Health Policy

Safety practices are updated regularly and the work environment is good and safe to the health of employees. Work environments are made fair, safe, healthy and work-life balance is promoted.

Fair Labour Treatment and Respect for Basic Human Rights Policy

The Company maintains a policy supporting a culture of diversity, acceptance and that does not discriminate based on gender, nationality, ethnicity, age, ability, sexual orientation or other conditions. We strive to be an industry leader in supporting women in all roles, including in Science, Engineering and

Mathematics (STEM) fields. We respect the basic human rights of our employees, business partners and other relevant groups and do not exploit child labour or forced labour.

Social Investment Policy

We promote responsible tourism in the ASEAN region for the preservation of ecosystems and natural heritage.

- Improve Journey D program to serve as a medium to partners and a long-term social investment, promoting all stakeholders in the tourism industry to support responsible tourism.
- Promote sustainability through a range of activities beyond products and services.
- Connect partners through experiences, lead communities to different sales channels for their tourism products and services.
- Communicate with the public through AirAsia channels.

4.2 Social Results

This year, the Company's Journey D program collaborated with Punpromotion Co. Ltd. to support sustainable tourism and create careers for locals in the Koh Klang community of Muang district, Krabi and Doi Pha Mhee community of Mae Sai district, Chiang Rai. These are the two community models of the Journey D project by Thai AirAsia, through the "Tiew D, Green D" campaign, supporting the development

of creative content on online platforms for the community so that the community can produce its own online platform for further developing eco-tourism and create sustainable careers for community members.

The Company began studying how to mobilise a sustainable tourism model and is set to launch the "Krabi Model" in the following year as an initiative on Sustainable Tourism drive. Krabi province is expected to have tourism growth potential and is likely to become the next tourism hub in the southern part of Thailand following Phuket. The Krabi Model will emphasise direct tourist involvement in the conservation of resources, awareness towards sustainable tourism among passengers, and cooperation with local communities in activities that benefit both locals and environments.

Read more about the Company's social management goals and results in the "Social Performance - Growth" section of the 2023 Sustainability Report.

5 Sustainability in the Governance Dimension

5.1 Governance and Economic Policies and Practices

The Company is committed to operating with transparency, honesty and robust governance. Relevant policies are regularly reviewed and updated to maintain the highest standards of compliance with applicable regulations, risk and opportunity management and responsible procurement of partners.



Key Company policies are as follows:

Good Governance Policy

Uphold good governance at the director, managerial and employee levels with the belief that an efficient, transparent, and accountable management system builds confidence and trust among shareholders, investors, stakeholders and all other relevant parties. The board of directors adheres to the Code of Best Practices for Directors of a Listed Company and applies the 2013 Principles of Good Corporate Governance for Listed Companies as well as the 2017 Corporate Governance Code in accordance with guidelines from the Stock Exchange of Thailand and Securities and Exchange Commission. This policy is reviewed and improved annually as well as communicated to directors, managers and employees of the Company for their acknowledgement and compliance. Content of this policy extends to the rights of shareholders, fair treatment of shareholders, the role of stakeholders, disclosure of information and transparency and the responsibilities of the committee.

Anti-Corruption Policy

Operate on a basis of transparency, honesty and righteousness. The Company structure clearly delineates duties and responsibilities, work processes and a chain of command for each unit to maintain an appropriate balance of authority. A code of conduct is maintained for directors, managers, employees and relevant parties to safeguard against corruption in all forms and it is considered the shared duty of all to ensure that business operations at risk of corruption are thoroughly considered and carried out.

Risk Management Policy

Acknowledge and devote importance to risk management for the efficient and effective management of the Company in promotion of confidence among all stakeholders. The Risk Management Committee, consisting of the President, board of directors, Chief Executive Officer and managers from all core operations, work with the Risk Management Department to address risks to operations both internal and external, maintaining them within acceptable parameters through evaluation and risk assessments carried out by each department. This policy is reviewed and relevant proposals are heard annually.

Personal Data Privacy Policy

Emphasise respect for the privacy of customers, shareholders, employees and all individuals involved with the Company. Foster confidence that stakeholder information is protected and that the Company acts in compliance with private personal data privacy laws. Set clear and appropriate criteria, mechanisms and measures for the management of private personal data known and upheld by all directors and employees.

Moreover, Thai AirAsia has adopted the Supplier Code of Conduct (SCOC), which references the International Labour Organisation, and encompasses assessment of basic human rights, transparency, anti-corruption practices, partner and stakeholder equality, and social responsibility.

5.2 Governance and Economic Results

- The Company continued participating this year in a Stock Exchange of Thailand governance assessment. It underwent the assessment for the first time in 2013 and has received a rating of “Excellent” since 2018.
- The Company initiated a Sustainable Supply Chain working group at the Capital A level to enhance supply chain sustainability. The group collaborates with the Engineering and Maintenance, In-Flight Service and Procurement departments to improve and align procurement policies and to include environmental, social and economic matters into management of the supply chain, from acquiring partners to providing service.

Read more about the Company's governance and economic results in the “Governance Performance - Good” section of the 2023 Sustainability Report.





บัตรสำหรับคนชอบบิน

แค่ใช้จ่ายในชีวิตประจำวัน
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- ☉ ทุก 20 บาท ได้รับ 1 airasia point
- ✈️ รับคะแนน 3 เท่า จากการใช้จ่ายผ่านบัตรฯ ที่เว็บไซต์แอร์เอเชียหรือแอร์เอเชียซูเปอร์แอป
- ✈️ รับคะแนนสูงสุด 7 เท่า จากการเดินทางกับแอร์เอเชียทั่วโลกด้วยสถานะสมาชิกแอร์เอเชีย ระดับ Platinum ของ airasia rewards รวมรับคะแนนสูงสุดถึง 10 เท่า พร้อมรับสิทธิประโยชน์มากมายจากแอร์เอเชีย

airasia points

X10

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จ่ายแทนเงินหรือ
แลกฟรี



เช็คอินก่อนใคร



ขึ้นเครื่องก่อนใคร



รับกระเป๋าก่อนใคร



ที่นั่ง Hot Seat



เครื่องดื่มบนเครื่อง



โหลดกระเป๋า



โรงแรม



เที่ยวบิน



ดิลไลฟไฮเต็ล

เงื่อนไขเป็นไปตามที่ธนาคารและบริษัทฯ กำหนด ทั้งนี้ อาจมีการเปลี่ยนแปลง โดยจะแจ้งให้ทราบล่วงหน้า โปรดตรวจสอบรายละเอียดเพิ่มเติมที่ www.bangkokbank.com/creditcard

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1 ม.ค. 66 – 31 ธ.ค. 67

ใช้เท่าที่จำเป็นและชำระคืนได้เต็มจำนวนตามกำหนด จะได้ไม่เสียดอกเบี้ย 16%



Corporate Governance

Corporate Governance Policy

(GRI 2-10, 2-13, 2-15, 2-16, 2-18, 2-19, 2-20, 2-25, 2-26)



Asia Aviation Plc. (“Asia Aviation”) and Thai AirAsia Co., Ltd. (“Thai AirAsia”) has complied and continued to follow the principles of corporate governance in business operations through Directors, Management and employees. The Company believes that effective, transparent, and measurable administration will create confidence for shareholders, investors, and stakeholders, which in turns, will be the key factors to generate return and maximise value as well as enhance competitiveness of the Company to sustainable growth. Therefore, the Board of Directors has established the policy to follow the Code of Best Practices for Directors of Listed Company and adopted the policy in accordance to the Principles of Good Corporate Governance for Listed Companies, 2013, and Corporate Governance Code for Listed Companies 2017 (CG Code) as prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission Thailand. Policy is reviewed annually and communicated to Directors, Management, and employees to adhere.

The Company disclosed “Corporate Governance Policy” on the Company’s website at www.aavplc.com under the “Corporate Governance”.

The Overall Policies and Practices of Corporate Governance

Policies and Practices regarding the Company’s Board of Directors

The Company’s Board of Directors has duties and responsibilities for establishing the framework of good corporate governance, strategies and significant policies, supervising the Company to build up mechanism for corporate governance with efficiency and effectiveness as well as governing the operation of the Company to be fair and transparent. In addition, the Board of Directors is responsible for the stakeholders under the principles of good corporate governance and business ethics by building confidentiality and value of the Company sustainably together with providing the auditing, following up, evaluating and revising in order that everybody in the organisation holds and complies with the Corporate Governance Policy completely and sustainably.

To support and encourage the Board of Directors to be able to perform their duties with efficiency and effectiveness, therefore the Company has set up policies and practices regarding the Company’s Board of Directors covering the following issues:

Composition of the Company’s Directors

1. The Board of Directors of Asia Aviation shall consist of at least five Directors to conduct the business of Asia Aviation. Not less than one half of all Directors shall have domiciles in Thailand.
2. The Independent Directors must constitute at least one-third of the numbers of Directors in the Board but not less than three persons. In addition, there shall be appropriate numbers of Independent Directors to conduct the corporate governance and they shall also meet all the qualifications according to the Notification of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand.
3. No limitation for gender, nationality, race, skin color, ethnic group or religion.
4. The Chairman of the Board of Directors shall not be the same person as Executive Chairman, Chief Executive Officer nor the Executive Director in order to balance and clarity of responsibilities between the supervisory and management functions including to examine the operation of the Management independently.
5. The structure of the Board of Directors shall have a diversity whereas the Board of Directors shall be composed of experts with a wide range of knowledge, competence, and experience in various fields as well as expertise in various professions to be in line with strategy and type of business of the Company. The number of Directors shall be sufficient to oversee the business of the Company, with at least one Director who has direct experience in aviation business and at least one Director who has experiences in accounting and finance.



Qualifications of Directors

1. The Directors shall understand their duties and responsibilities as well as description of the business operation of the Company. In addition, the Directors shall be the persons having knowledge, competency, honesty and business ethics, and having sufficient time to dedicate their knowledge and competency for their performance in the Company.
2. The Directors shall possess full qualifications and do not have any prohibited characters in compliance with applicable laws related to public companies and other relevant laws, nor any characters that result in the inappropriateness to be trusted with the administration of a public company as required by The Securities and Exchange Commission Thailand.
3. The Directors shall not enter into a partnership or be a shareholder or hold the position of Director of any business which has the same nature as and is in competition with the business of Asia Aviation for their own or others' interests, except the Shareholders' Meeting has been informed prior to the appointment.
4. The Directors shall not hold the position of Director in more than five other listed companies. In case of any Director holding the position of Director in more than five listed companies, the Board of Directors shall consider the effectiveness of his/her performance. In the case of the Chief Executive Officer taking the position of Director in other companies, the matter needs to pass the approval from the Company's Board of Directors.
5. The Independent Directors shall possess all the qualifications required by the Stock Exchange of Thailand and The

Securities and Exchange Commission Thailand and can oversee the interest of all shareholders equally without any conflicts of interests. The Independent Directors shall be able to attend the Board of Directors' Meetings and provide opinions independently. The qualifications are as follows:

Qualifications of Independent Directors

1. Holding not exceeding 1% of the total shares with voting rights of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation. (inclusive of the shares held by any related person of such Independent Director).
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 control person of Asia Aviation, its parent company, subsidiary company, its associated company, its subsidiary at the same level, major shareholder or control person of Asia Aviation, unless the holding of the aforementioned positions has been discontinued for at least two years. However, such prohibition shall not apply in the case where such Independent Director has been a government official or consultant of the government sector, which is a major shareholder, or control person of Asia Aviation.
3. Not being person who has a relationship by blood or registration under laws, as father, mother, spouse, sibling, and child, including spouse of child, of its Directors, its Executives, its major shareholder, its control person or the person who will be nominated to take up the position of Director or Executive or control person of Asia Aviation or its subsidiary.

4. Not having, or not having had, any business relationship with Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation in a manner which may obstruct its independent judgment. Additionally, not being or not having been a substantial shareholder or control person of a person who has a business relationship with Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation, unless such business relationship has been discontinued for at least two years. (the aforementioned business relationship and transaction size shall have the same definition as in the Notification of the Thai Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares).
5. Not being, or not having been, an auditor of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder, control person of Asia Aviation, and not being substantial shareholder or control person or the partner of the audit company for which the auditor of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years.
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 Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation, and not being

substantial shareholder or control person or the partner of such professional service provider, unless such business relationship has been discontinued for at least two years.

7. Not being a Director nominated to be a representative of a Director of Asia Aviation, major shareholder or shareholders who are related persons to major shareholder.
8. Not undertaking any business which has the same nature as and is in competition with the business of Asia Aviation 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 business of the same nature as and is in competition with the business of Asia Aviation or its subsidiary company.
9. Having no other qualifications causing any inability to express independent judgment in respect of Asia Aviation's business operation.

The qualifications of the Independent Directors shall be as required by the Thai Capital Market Supervisory Board.

Whereas the Company has disclosed the profiles and information of holding the position of Directors as the attachment of this report on the website of the Company at www.aavplc.com under the title "Asia Aviation (AAV)" and sub-title "AAV Board of Directors" as well as the notification to the Stock Exchange of Thailand and the Securities and Exchange Commission Thailand when the Company changes its Directors.



Nomination and Appointment of Directors (GRI 2-10)

The appointment of a Director shall be in compliance with the Company's Articles of Association and applicable laws, in a transparent and clear manner. The nomination shall go through the process by the Nomination and Remuneration Committee to consider qualified candidates to replace the Directors whose positions are vacant by rotation or other reasons and to provide opportunity for minority shareholders to nominate candidates for the Company's Directors. Thus, the Nomination and Remuneration Committee shall propose the list of the persons nominated with profile and details of such persons sufficiently to advantage in decision making for the Board of Directors to consider before passing it to the Shareholders Meeting for approval of the appointment or for the Board of Directors to appoint him in case that the Director position is vacant because of other reason than the retirement by rotation.

Policy on qualifications and nomination of Directors

The Company's Board of Directors consists of qualified directors according to Section 68 of the Public Limited Companies Act B.E. 2535 (1992) (and its amendments) and the Securities and Exchange Commission's Notifications and does not have prohibited characteristics under the Securities and Exchange Act B.E. 2535 (1992) (and its amendments) and other related laws and regulations and Company's Articles of Association. And the Company's Board of Directors should be diverse in terms of skills, experience, knowledge and expertise that are beneficial to

the Company as well as not limiting or discriminating in terms of gender, age, race, nationality, religion, culture and customs for the Company to achieve its objectives and business goals. And the Board of Directors should promote and support the Company to operate in accordance with good corporate governance principles, which lead to fairness and transparency that can create returns and increase long-term value for shareholders and build confidence among all stakeholders.

Desired characteristics of each Director

The Nomination and Remuneration Committee will consider and determine the individual characteristics of those selected for nomination as Directors in various areas such as

- Leadership and vision,
- Morality, ethics and responsibility,
- Making informed and rational decisions,
- Maturity, knowledge, understanding and ability to communicate, able to express opinions independently,
- Adhering to the principles and standards of working professionally,
- Other characteristics that the Nomination and Remuneration Committee deems important.



Knowledge and expertise that should be on the Board

The Nomination Committee will consider the knowledge, ability, work experience and overall structure of the Board to determine which skills of Directors are lacking by creating a Board Skill Matrix, which will help the nomination of Directors consistent with the Company's business direction in order to determine persons who have experience, knowledge and ability that will be beneficial to the Company to become Directors in accordance with the Company's business strategies such as

- Accounting and finance knowledge,
- Knowledge of aviation business,
- Risk management and crisis management,
- Management and business administration,
- Marketing and marketing communications,
- Laws and regulations related to business,
- Economics,
- Corporate governance and sustainable development,
- Other specialised expertise that the Nomination and Remuneration Committee deems necessary for the Company over the next 3-5 years, such as technology and cybersecurity skills, information management, supply chain management and research and development, etc.

Recruitment and nomination

To identify the names of candidates to be elected as Directors, the Nomination and Remuneration Committee may use recruitment sources such as persons recommended by Directors, nomination of new Directors by shareholders, third-party consulting firms and listings from credible sources, etc.

Election of the Directors

1. Election of Directors to replace those who are due to retire by rotation or in the case of Directors who resigned during the remaining term of office for less than 2 months, in this case the Directors shall be appointed by the shareholders' meeting by a majority vote in accordance with the following rules and procedures:
 - 1) Each shareholder has one (1) share for one (1) vote.
 - 2) Each shareholder may use all the votes available in Item 1) to elect one or more persons to be Directors. In the event that several persons are elected as Directors, the votes cannot be divided for any individual.
 - 3) Persons receiving the highest number of votes in descending order will be elected as Directors equal to the number of Directors to be elected at that time. In the event that the number of votes cast for candidates in descending order is equal, which would otherwise cause the number of Directors to be exceeded, the chairman of the meeting shall have a decisive vote.
2. To appoint Directors to replace those resigned during the tenure, the Board of Directors shall appoint persons to become Directors, without having to propose to the shareholders' meeting for consideration and election.



Term of Positions for Directors

1. The Director's term of positions is according to the Articles of Association of Asia Aviation that at every Annual General Meeting, one-third (1/3) of the total number of the Directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third (1/3) must retire from the office. The retiring Directors are eligible for re-election. The Director who has been in office for the longest term shall retire.
2. Any Director wishing to resign from the Director's position shall submit a resignation letter to Asia Aviation. The resignation shall take effect upon the date on which the resignation letter reaches Asia Aviation.
3. 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.
4. In case of vacancy due to reasons other than expiry of service terms, the Board of Directors shall appoint any candidate who does not possess any of the prohibited characteristics in compliance with the Securities and Exchange Act B.E. 2535 (and its amendments) and other applicable laws and regulations to fill the position for the next Board of Directors' Meeting unless the remaining term is less than two months. The replacement Director shall hold the office only for the remaining term of the Director whom he/she replaces.

5. The tenure of Independent Director should not exceed a cumulative term of nine years from the first day of service. In the past year, the Company did not have any Independent Directors who had held office for more than nine years.

Duties and Responsibilities of the Directors (GRI 2-13)

Asia Aviation's Board of Directors, as a leader of the organisation, shall oversee and administer the business and mission of Asia Aviation to be in line with the approval by shareholders and applicable laws, objectives, articles of association, Shareholders' Meeting resolutions, and Board of Directors' resolutions. Directors shall use their judgment and vigilance in making business decisions and perform their duties with caution, accountability, and honesty for the best interest of Asia Aviation.

Moreover, the Board of Directors shall attach importance to the business operation with social responsibilities and environment, not violating the rights of the stakeholders as well as promoting and supporting the Company and its subsidiary to operate with



anti-corruption in every form for the progress and sustainable growth.

Asia Aviation's Board of Directors has the duties to consider and approve significant matter related to the Company's administration such as policies, visions, strategies, goals, missions, business plans and budgets of Asia Aviation, as well as to supervise the Management team to effectively and efficiently manage the business of Asia Aviation under the legal framework, objectives, Articles of Association of Asia Aviation and the resolutions of the Board of Directors' Meeting and the Shareholders' Meeting. Such duties must be performed with accountability, loyalty and care under the principles of good corporate governance in order to achieve the best economic value for the business and stability for its shareholders.

The Division of Duties and Responsibilities between Board of Directors and Management

Asia Aviation has clearly divided duties and responsibilities between Board of Directors and Management. The Board of Directors sets out policies and administers the operation of the Management on the policy level, while the Management manages each area according to the policies and Authority Limit which has been approved by the Board of Directors and recorded as resolution passed in the Minutes of Board of Director Meeting. Consequently, the Chairman of the Board of Directors cannot be the same person as Executive Chairman, Chief Executive Officer, nor the Executive Director in order to balance and examine the Management. The Chairman of the Board of Directors has an important role as follows.



- 1) The Chairman has an important part in making decisions for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the Management, and provides recommendations for business operation to the Management through the Chief Executive Officer without interfering in the daily duties of the Management. The Chairman as the leader of the Board of Directors, oversees and monitors the performance of the Board of Directors and sub-committees and encourages all Directors to achieve the objectives as planned.



- 2) To be a leader in the Board of Directors' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Article of Association of the Company. In addition, the Chairman encourages Directors to participate in the Meetings, express their opinions equally and provide comments independently. In case of the votes come to a draw between two sides, the Chairman of the Board of Directors makes the casting vote. Another key role of the Chairman is to summarise the resolutions of the Meeting and ensure that all proceeding will be done clearly.



- 3) To be a leader in the Shareholders' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Article of Association of the Company. In addition, the Chairman shall allocate sufficient time and allow shareholders to express their opinions equally as well as answer inquiries of shareholders' appropriately and transparently.
- 4) To support and be a good role model in compliance with corporate governance and business ethics.

The Company has clearly set scopes of duties and responsibilities for Board of Directors, Executive Chairman and the Chief Executive Officer, which can be found under "Scope of Duties and Responsibilities of the Board of Directors", "Duties and Responsibilities of the Executive Chairman" and "Duties and Responsibilities of the Chief Executive Officer".

The Performance Assessment of the Board of Directors

(GRI 2-18)

Asia Aviation and its subsidiary have the Performance Assessment of the Board of Directors and sub-committee once a year by dividing into the Performance Assessment of the Board of Directors as a whole and the Self-Assessment of the Board of Directors on an individual basis, to be used as the framework in examining the performance of the Board of Directors and sub-committee including consideration reviewing performances, problems and obstructions incurred in the passed last year and it is the opportunity to consider contributing the time to perform the duties and also to improve the relationship between the Company's Board of Directors and the Management while the annual assessment of the performance results of the Board of Directors and sub-committee shall be presented to the Board of Directors Meeting to give suggestions the benefit of the efficiency improvement and development of the performances of the Board of Directors to conform to the policy procedures set forth and to set up benchmark for comparing it with the performances with criteria and revealed in the 56-1 One report.

As such, the Nomination and Remuneration Committee is responsible for reviewing performance assessment to be accurate, complete and comply with good corporate governance. Also the Committee have considered the results of the Director self-assessment in the past year as a reasonable criteria for the consideration of the remuneration of Directors. The Company Secretary summarises the results of the assessment and reports to the Nomination and Remuneration Committee in order to propose to the Board of Directors to further improve operational efficiency in more effective way.

Development on Directors and Management

The Board of Directors of Asia Aviation and subsidiary have a policy to enhance and accommodate the provision of training and knowledge for Directors and Management to administer the business of the Company effectively with the continuous improvement on operation. Directors and Management are encouraged to participate in valuable trainings that are beneficial to their performance, including training by state agencies or independent organisations, for example, Director Training by the Thai Institute of Directors that the SEC requires Directors of listed companies to participate at least in one programme, including the Directors Certification Program (DCP), Directors Accreditation Program (DAP) and the Audit Committee Program (ACP).

In the case of a change in Directorship, the Company Secretary is assigned to assist in the preparation for the Director's duties by coordinating in the following areas:

- 1) Collecting required information related to Directorship to ensure the compliance with applicable laws related to Directorship.
- 2) Preparing useful information for the new Director to perform his/her duties, for example, Articles of Association of the Company, Director's Manual for Listed Companies, Operating Results, and Nature and Direction of Business.
- 3) Organising meetings or discussions between Chairman and Directors, and Management to acknowledge and inquire about the business operation of the Company and its subsidiary.

Remuneration Policy and Criteria for Directors

(GRI 2-19, 2-20)

Asia Aviation and subsidiary's Board of Directors approves the criteria in consideration for Directors' remuneration as follows:

To determine remuneration for Directors, the Nomination and Remuneration Committee shall consider the following guideline:

Remuneration Policy for Directors

The Nomination and Remuneration Committee considers appropriate types, forms, and amount of the remuneration for Directors and sub-committee members, then the remuneration will be presented to the Board of Directors for consideration and proposed to the Annual General Meeting of Shareholders for approval every year.

The determination of remuneration of Directors will be considered in comparison with the remuneration of Directors of leading companies in the stock exchange and other companies in the same industry or similar to the Company, along with their experience, duties, scope of roles, responsibilities, success in the performance, the performance assessment results of the Board of Directors and Company's performance as well as other relevant environmental factors. Such remuneration must be at an appropriate level and sufficient to motivate and retain the Company's qualified Directors.



Remuneration of Directors and sub-committee members of Asia Aviation

At the Annual General Meeting of Shareholders 2023, held on April 20, 2023, approved the resolution of the remuneration year 2023 for Directors and sub-committee members as follows ;

Monetary Remuneration

- Each Director shall receive the monthly remuneration of Baht 80,000 and Baht 80,000 allowance for each meeting attendance. If there is more than one meeting, each Director shall receive only Baht 80,000 allowance in the month. The Chairman of the Board of Directors shall receive the monthly remuneration of Baht 100,000 and Baht 100,000 allowance for each meeting attendance. If there is more than one meeting, the Chairman shall receive only Baht 100,000 allowance in the month.
- The monthly remuneration for the Audit Committee (in addition to the remuneration as the Directors) shall be Baht 80,000. The Chairman of the Audit Committee shall receive the monthly remuneration of Baht 100,000.
- Upon being appointed by the Board of Directors or the Chairman of the Board to a committee, a sub-committee or a working group, the said Director shall receive an additional remuneration as the meeting allowance for Baht 40,000 per meeting attendance. If there is more than one meeting, each Director shall receive only Baht 40,000 allowance in the month.
- The Board of Directors shall receive the bonus for 0.5% of the dividend and the allocation shall be as specified by the Board of Directors.

Other Remunerations

Ticket Benefits

Each Director of Asia Aviation (and his/her family members, meaning spouse and legitimate children) is entitled to one free round-trip ticket for any destination per month, in total twelve tickets in one year with terms and conditions of the Company's Policy. The Directors are entitled to the said benefit only while they are serving their office terms as the Directors of Asia Aviation.

Nonetheless, Executive Directors shall not receive any remuneration as members of the Board or sub-committee.

Remuneration of Directors and sub-committee members for Thai AirAsia

At the Annual General Meeting of Shareholders 2023, held on April 20, 2023 the resolution was to approve the remuneration for Directors and sub-committee members as follows:

Monetary Remuneration

- Each Director shall receive Baht 80,000 allowance for each meeting attendance. The Chairman of the Board of Directors shall receive Baht 100,000 allowance for each meeting attendance.
- Members of the Audit Committee receive a meeting allowance equivalent to that of meeting allowance of Board members.

- Upon being appointed by the Board of Directors or the Chairman of the Board to a committee, a sub-committee or a working group, the said Director shall receive an additional remuneration as the meeting allowance for Baht 40,000 per meeting attendance. If there is more than one meeting, each Director shall receive only Baht 40,000 allowance in the month.

Nonetheless, Executive Directors shall not receive any remuneration as members of the Board or sub-committee.

The Remuneration Policy of the Senior Management

Determining the remuneration for the Senior Management has been set up at Thai AirAsia , a subsidiary which operates the Company's major business for which the structure of remuneration of the Senior Management comprises the fixed remuneration such as salary, fuel cost, telephone cost, car expense and cost of variations such as bonus depending on the performance of the subsidiary whereas the subsidiary will perform the annual assessment of the performance of the Senior Management annually to support consideration for approval of the annual remuneration based on the performance of the business operation, the operation under the policies assigned according to the overall economical and social situation as well as managing the remuneration to be able to compete and maintain the Senior Management equipped with knowledge and abilities to continue working with the Company and perform the duties for the Company.

Determination of remuneration and consideration of remuneration rates for the Senior Management

Thai AirAsia considers remuneration for the Senior Management based on fairness and appropriateness in accordance with the Company's performance and performance of each Management, comparing with remuneration rates in other companies in the same industry or similar business with the Company. Survey results and industry and professional comparisons are taken into account annually to review salary pay scale and annual salary adjustment principles.

Key performance indicators (KPI)

To reflect responsibilities, performance success linked to business operation results and other relevant environmental factors, the Company has set the following indicators:

- CASK, RASK, Ancillary Sales
- Safety & Regularity, On-Time-Performance, Load Factor, Aircraft Utilisation
- Net Promoter Score Survey
- Social and environmental performance



Succession Plan

The Board of Directors of Thai AirAsia has established succession plans for positions of Chief Executive Officer and Senior Management by evaluating and analysing the potential and performance of qualified candidates to set the individual plan for development training and management learning in order to prepare the replacement of important positions in case of resignation or retirement or other reasons and also maintain confidence from stakeholders that the operation of the Company can continue without any disruption.

The Board of Directors has assigned the Nomination and Remuneration Committee to consider and specify the criteria and succession plan when the position of Chief Executive Officer and Senior Management is vacant. Revision of the succession plan shall be carried out and the Chief Executive Officer is to report to the Board of Directors regularly on the succession plan.

Nomination criteria and process

The People Department prepares a succession plan, endorsed the Nomination and Remuneration Committee and approved by the Company's Board of Directors.

Nomination process and succession plan for the Chief Executive Officer and the Senior Management

When the Senior Management position becomes vacant or a person in position is unable to perform his or her duties in the position, the Company has a system for executives at a similar level or a deputy to act in the position until recruitment and selection of a person who meets the criteria set by the

Company and he or she shall be visionary, knowledgeable, experienced and suitable for the organisational culture. The People Department will consider and present to the Nomination and Remuneration Committee for their endorsement before proposing to the Board of Directors for approval. The Chief Executive Officer will report results of the succession plan to the Board of Directors for their acknowledgement periodically at least once a year.

The succession process is as follows:

- Analyse the Company's business situation in terms of strategies, investment plans and policies, expansion plans, and assess the readiness of manpower to be in line with the Company's strategies in both short and long terms.
- Establish a plan to build readiness of personnel by developing staff or recruiting staff to prepare to replace those who resign.
- Create a recruitment plan and develop employee training within one year before the employee retires or leaves the position early.
- Determine competence, which means the knowledge, skills, personality and desirable attitudes of employees in that position and make individual development plans.
- Select, evaluate the performance and assess the potential of employees to determine their suitability.
- Use personnel testing and assessment tools to analyse employee potential.
- Identify successors from the evaluation and analysis of the performance potential of the employees. Employees must be notified in advance to prepare for the handover.
- Develop and evaluate employees who are expected to be successors to see whether they can develop and create results according to the succession plan.

Determine qualifications of Chief Executive Officer

To establish criteria for nomination, evaluation and preparation individual development plans for the position of Chief Executive Officer, the Company has therefore defined qualifications as follows:

1. Formulate strategies to develop missions, policies and clear strategic plans that can meet the needs of shareholders, customers, employees and other stakeholders in a balanced and sustainable manner.
2. Clearly manage operations to achieve strategic success of the organisation, able to identify and analyse problems and issues that the organisation needs to address accurately and clearly, and able to forecast trends, business opportunities and business priorities that benefits prosperity, and able to adjust strategies in a timely manner and operate the Company correctly.
3. Define processes that enable performance monitoring and turnover control, able to enable the Company to achieve financial goals and market share that have been set financially, able to accurately define and assess key success factors, have good understanding of financial and market metrics relevant to the business and financial conditions of the Company, able to make good decisions in managing the financial activities and budgets of the organisation, able to determine appropriate methods and practices that are accurate, transparent, verifiable as well as compliant with the laws, rules and regulations of various organisations.

4. Have knowledge of the aviation business including the products and services that are the main factors in running the business, understand the business-industry environment, foresighted and creative and have the initiative to create new products and services.
5. Be able to accurately communicate the concept, vision, mission, strategy, goals and direction of the organisation to stakeholders, create and maintain atmosphere and culture, create environment and a sense of belonging, have regular good communication within the organisation and fair treatment of personnel, not discriminating, and provide standardised and transparent communication channels for disclosure of information.
6. Manage relationships with personnel both inside and outside the organisation, maintain high standards of ethics, honesty and respect for others to maintain a positive image for the Company and create an attitude that makes the stakeholders trust and support.
7. Manage work and assign work properly, carry out duties within the scope of responsibility and delegate duties to others in a professional manner, take appropriate measures to distribute and balance power, regularly promote and support learning and skill development in various areas that are necessary for oneself and others.



The Supervision of the Subsidiary, Associated Company and Jointly- Controlled Entities

Asia Aviation is the Company operating major business by holding shares in other companies (Holding Company) in which the Company has mechanism to be able to supervise the administration and to be responsible for the operation of the subsidiary, associated company or jointly-controlled entities in order to maintain the benefits of the investment of the Company as follows:

1. To nominate a person as a representative of the Company approved by the Board of Directors to be a Director and Management in the subsidiary, associated company or jointly-controlled entities in proportion to the shares held while such person shall have appropriate qualifications and experiences suitable for such business and shall not have the business conflict of interest.
2. To supervise through the representative Directors and the Management and manage the business of the subsidiary, associated company or jointly-controlled entities to comply with the policies approved by the Company and according to the rules and regulations specified in the Article of Association of the Company and the law of subsidiary, associated company or jointly-controlled entities.
3. To consider the important matters such as strategies, business plan, increasing or decreasing of the capital as well as important policies etc.
4. To follow up the performances and such business operation closely and present the analysis as well as expressing

the opinion or suggestion to the Board of Directors of the subsidiary, associated company or jointly-controlled entities to be used as supporting information to consider setting up policies or improve, promote the business of the subsidiary, associated company or jointly-controlled entities for further development and continual growth.

5. To encourage the subsidiary, associated company or jointly-controlled entities to bring the principles of Corporate Governance into practice.
6. To govern the subsidiary, associated company or jointly-controlled entities to comply with the rules and regulations concerning the Regulators such as the related party transaction and acquisition and disposing of the assets, sufficient and in-time disclosure of information as well as supervising them to provide accounting and financial report correctly in accordance with the related laws and certified accounting standard in general.
7. To be verified by the internal audit to ensure that the internal control set forth is sufficient and effective.

Policy and Practices concerning Shareholders and Stakeholders

Rights of Shareholders

Asia Aviation is aware of and prioritises the fundamental rights of the shareholders, by not doing anything to violate the rights of its shareholders and supporting its shareholders to exercise

their rights. The fundamental rights of the shareholders include the right to buy and sell or to transfer shares, the right to receive profit sharing from Asia Aviation, the right to receive adequate and timely information with regard to Asia Aviation, the rights relating to participation and voting in the Shareholders Meeting to elect or remove members of the Board, appoint the external auditor, and make decisions on any transactions that affect the Company such as dividends payment, amendments to the Company's Memorandum of Association and Articles of Association or the Company's by laws, capital increases or decreases, and the approval of extraordinary transactions, etc.

Asia Aviation has the policy to provide convenience for the shareholders to exercise their rights as follows:

- Asia Aviation will send the notice of the Shareholders' Meeting and supporting documents to each shareholder at least five business days prior to the Meeting date (or any period of time as required by laws). The invitation will provide relevant information on each agenda item with opinions from the Board of Directors of Asia Aviation, proxy form as regulated by the Ministry of Commerce, and list of Independent Directors that the shareholders may select as their proxy, as well as map of the Meeting venue.

The invitation will inform the list of required documents that the shareholders need to bring to the Meeting in order to support the rights to participation in the Shareholders' Meeting and to voting, as regulated by Asia Aviation's Articles of Association regarding the Shareholders' Meeting.

Shareholders can also access any information concerning the agenda of the each Meeting of Asia Aviation at www.aavplc.com

- In the case that any shareholder cannot attend a Shareholders' Meeting in person, Asia Aviation allows such shareholder to appoint a proxy, either an Independent Director or any person, to attend the Meeting on his/her behalf.
- Asia Aviation shall proceed Meeting registration and votes count with a barcode system so as to promote transparency, fairness and benefits for shareholders. In addition, the Company has provided a document check point in case of proxy to attend to the Shareholders' Meeting and provide stamp duty for the proxy form as well as staff to service at the registration. The Company will open for registration at least 2 hours before the Meeting. Furthermore, the Company provides convenience for shareholders by holding the Shareholder's Meetings in 2023 via electronic media, in compliance with the Emergency Decree on the meeting via electronic media B.E. 2563 (2020), as well as the laws and other regulations concerned.
- Chairman of the Meeting will inform the shareholders of rules of the Meeting and voting procedures. Time will be allotted appropriately.
- All shareholders will be treated equally in expressing their opinion and raising questions in the Meeting. Directors and relevant Management team members will attend the Shareholders' Meeting to provide responses to any inquiry raised at the Meeting and to take any comments and suggestions into consideration or for further actions. After the Shareholders' Meeting, Asia Aviation prepares the complete and accurate minutes of the Meeting within 14 days and submits to related agencies within the prescribed time frame. Minutes of the Meeting will also be posted on Asia Aviation's website to allow interested shareholders and stakeholders to access the information.



Equitable Treatment of Shareholders

Asia Aviation applies the principle of equal treatment to all shareholders, be Management or non-management shareholders, majority or minority shareholders, or local or foreign shareholders, as follows:

Meeting shall be carried out as specified in the agenda enclosed with the Meeting notice. Additional agenda items shall not be imposed without informing the shareholders prior to the Meeting unless necessary, especially items that shareholders should need significant time to study relevant information before making any decision.



The minority shareholders can nominate Directors by submitting details of nominees and consent letters to the Chairman of the Board prior to the Shareholders Meeting within reasonable time period as regulated by Asia Aviation.



Shareholders are encouraged the use of ballots for each agenda item. Ballots shall be kept in the Meeting room for vote count prior to the resolution announcement. For transparency, Asia Aviation will keep the ballots with shareholders' or proxy's signatures in case of examination if there is any future argument.



Minutes of Meeting shall be recorded completely and accurately. The Minutes will be submitted to the Stock Exchange of Thailand within 14 days after the Meeting. Minutes of the Meeting will also be posted on Asia Aviation's website.



Information is accessible in a complete, accurate, timely, and transparent manner, for shareholders by disclosing the significant information regularly.



The Company and its subsidiary have set the policy and procedure for the Directors and Management and employees in using the inside information that has not been made public for personal interest and communicated the policy to their Directors, Management, and employees for their acknowledgement in writing under the Code of Conducts with details as follows:

The Use of Internal Information

- 1) Inform the Directors and Management regarding their duties in reporting the Securities Holding Reports for themselves, their spouses or cohabiting couple, 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 B.E. 2535 (and its amendment), 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 B.E. 2535 (and its amendment).
- 2) The Directors and Management of Asia Aviation, along with their spouses or cohabiting couple, and their minor children to prepare and disclose the Securities Holding Reports and the Acquisition or Disposal of Securities Report of Asia Aviation'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 B.E. 2535 (and its amendment), and copies of the reports to be submitted to Asia Aviation on the same day as to the Securities and Exchange Commission.
- 3) Directors, Management and employees of Asia Aviation and its subsidiary, who have an access of any inside information that can affect price of stocks, shall be avoid or refrain from trading of Asia Aviation's stocks within one month before the financial statements or the inside information are accessible to the public and 24 hours after the said information is accessible 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. Disciplinary punishment shall be imposed on the offender, as prescribed in the staff regulations of Asia Aviation and its subsidiary. Punishment, appropriately determined on a case to case basis, includes verbal warning, written warning, probation, or dismissal.

- 4) Directors, Management and employees of Asia Aviation and its subsidiary shall not use any inside information they receive from their positions, that can affect price of stocks 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 stocks or securities (if any) of Asia Aviation directly or indirectly, which may cause any damage to Asia Aviation directly or indirectly, for their own interests or for others', nor shall they disclose the said information to others for compensations or nothing.

Conflict of Interests

(GRI 2-15)

The Board of Directors of Asia Aviation and subsidiary has established guidelines to prevent conflicts of interest, which are incorporated into the written code of conduct on the basis that any decision-making on business transactions shall be made only for the best interest of Asia Aviation and subsidiary and it shall avoid any act which may cause conflicts of interest. It is required that a person who is involved in or has interest in any transaction shall report the involvement or interest in such transaction to the Company and shall abstain from voting for decision-making and shall have no power to approve such transaction.



In the case of any transaction which is not consistent with the normal course of business or the general trading conditions and may cause conflicts of interest, the entry into such transaction shall be submitted to the Audit Committee to consider with respect to the transaction appropriateness before proposing to the Board of Directors' Meeting or Shareholders' Meeting (depending on the case) for consideration and approval. In such case, Asia Aviation and subsidiary shall comply with the requirements prescribed by the Capital Market Advisory Board, the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

Information Disclosure and Transparency

Asia Aviation has put an importance on disclosing information that is accurate, complete, transparent, timely, and up to the standards set by the Stock Exchange of Thailand and the Securities and Exchange Commission. These financial reports, general information, and any other significant information that can affect the price of stocks and decision making of investors and stakeholders of Asia Aviation. In order for stakeholders of Asia Aviation to have an equal access to information, Asia Aviation is publishing its information through the Stock Exchange of Thailand and Asia Aviation's website at www.aavplc.com.

The Board of Directors is aware of the responsibility in preparing Asia Aviation's financial reports and information presented to shareholders in 56-1 One Report, and in assuring the quality of the financial reports, including financial statements of Asia Aviation. Asia Aviation arranges to have the financial reports done according to the accounting standards and audited by reliable and independent auditors. Asia Aviation has established and adhered to appropriate

accounting policies and made certain that financial reports of Asia Aviation are accurate, complete, and trustworthy, with important information being accessible.

The Board of Directors also set up an Audit Committee to review the financial reports for their accuracy, completion, and reliability and to make sure information is disclosed in an accurate, transparent and timely manner as regulated for listed companies. The Audit Committee also ensures effective internal control and that laws and regulations, as well as Asia Aviation's regulations are adhered to. Moreover, the Committee considers related party transactions or transactions with conflict of interest and consider the reasonableness and appropriateness before proposing to the Board of Directors of Asia Aviation for further approval.

The Company has a policy to disclose important information to the public as follows:

1. Objectives and Articles of Association of the Company.
2. Financial and Non Financial reports in an accurate and timely manner.
3. Report on the responsibilities of the Board of Directors toward financial statements together with the Auditor's report in 56-1 One Report.
4. Information on each Director, sub-committee member and Management and his/her roles and responsibilities and remuneration.
5. Information on the attendance of Directors and sub-committee members in Meetings.

6. Reports on the Interests of Directors, Management, and related persons.
7. Each Director and Management has a duty to report buy-sale the Company's shares to Company Secretary at least one day before the trading day and disclose summary of shareholding reports at the Board of Director Meeting in quarterly.

As for the activities to serve investors' demand, the Company has set up the Investor Relations Unit delegated to handle and communicate significant business information of the Company with interested parties, which include the Company's

shareholders, investment analysts, general investors and other persons in the investment community. The Investor Relations Unit can be reached via the following channels:

Investor Relations

Telephone: 02 562 5745-46

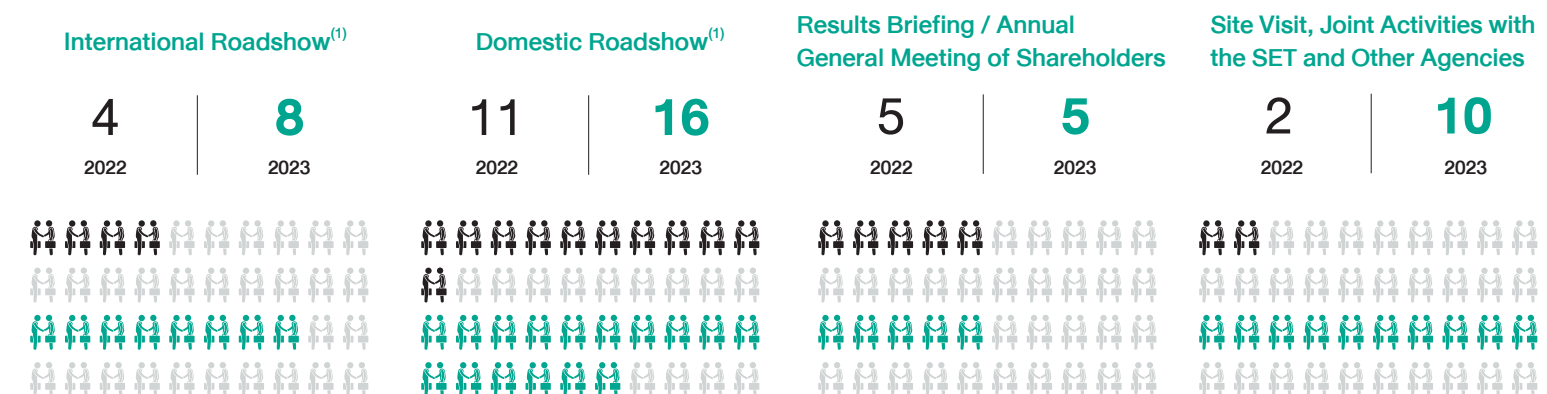
Fax: 02 562 5705

Email: taa_investorrelations@airasia.com

Website: www.aavplc.com



Asia Aviation discloses and communicates operational performance and other significant information of the Company to the investment analysts, investors, and internal staff on a regular basis at several events such as results briefings, one-on-one or group meetings, roadshows, conference calls, and conferences organised by various entities. The Company also holds joint activities with the SET to meet with retail investors and holds a press conference to publicise such information about the Company and its subsidiary. Also, any person in the investment community is provided with the ability to make an appointment with the Management or investor relations officers via the IR Booking webpage at his or her convenience to inquire or discuss business-related issues during the Company's office hours. Investors' inquiries are also directly responded to via e-mail and phone calls on a regular basis. Summary of IR activities for 2022 - 2023 are as follows:



Note: ⁽¹⁾ The events were held in a virtual or physical meeting.



The Company also arranges for the Compliance Unit to oversee the disclosure of information through various channels, for example, the Company's website, the Stock Exchange of Thailand's website, and 56-1 One Report. Information shall be accurate, sufficient, timely, and complete, as required by laws, in order to create confidence from investors in the Company's transparency in business operation.

Role of Stakeholders

Asia Aviation and its subsidiary have placed importance on the rights of all stakeholders and adhere to the principle of creating shared value between the Company and all stakeholders for sustainable mutual benefit. The guidelines towards each stakeholder group can be summarised as follows:

Shareholders

Asia Aviation determines to be a good representative for its shareholders in conducting its business for the satisfaction of its shareholders with transparency and emphasis on sustainable long-term growth, and to ensure the adherence of the policy regarding shareholders to maintain the basic rights of the shareholders, and to not violate the rights of the shareholders listed under rights of shareholders and equitable treatment of shareholders, alongwith the transparent disclosure of information to shareholders.

The encourage for the shareholders to attend the Shareholders' Meeting to help participate in major decision making, to acknowledge the Company's operation and activities, and to monitor the performance of the Directors and Management.

Customers

Asia Aviation and its subsidiary are committed to customers' satisfaction and confidence in the Company by delivering quality products and services at a fair and appropriate price, and to maintain good relations. The operation guideline is set as follows:

- Provide quality products and services with the resolute aim to constantly increase the standards and disclose news and information regarding products and services completely and accurately as well as initiating new varieties of products and services to serve the lifestyle of everybody.
- Listen to customer opinions through satisfaction surveys in various forms, such as customer satisfaction surveys after using online services or Net Promoter Score or quarterly customer satisfaction survey on various issues.
- Listen to the problems of customers and receive complaints via live chat (ask BO) throughout 24 hours a day.
- Directors, Management and employees at all levels shall not disclose customers' details without prior consent from customers or control persons of the Company group, unless the information is required to be disclosed to the third party by laws.

The details of the policy regarding responsibilities toward customers in 2023 are listed in the "Sustainability Report".

Business Partners

The Company and its subsidiary regard business partners as an important factor in creating value for customers. Therefore, conducting business with any trade partners must not lead to tarnishing of the reputation of the Company and its subsidiary or against any laws. There is no demand or acceptance of assets or any other dishonest benefits in trading with partners but take into account equality in business operations and mutual benefits with traders as well as strictly comply with contracts or conditions that have been agreed upon, and not to disclose business partners' information to others, except with consent from the business partners. In addition, the selection of trading partners must be done in a fair and transparent manner, considering the reasonable and fair purchase price and taking into account the reasonableness of the price, quality and service received. Appropriate reasons can be given upon inspection. The Company adheres to the procurement regulations that clearly outline procedures and practices.

Creditors

Asia Aviation and its subsidiary enter into contract with all types of creditors legally, equitably, fairly, and transparently without taking advantage of the contract party or concealment of any information that might harm the Company's creditors. The Company complies strictly with creditors under the conditions and term of agreements. Loan management must be subjected to the objectives of use of proceeds; money must not be used in a way that could cause damage, control various collaterals and repayment of loan and interest to the lenders of all types in full and by the due date, comply with the terms of the

entire loan agreement, as well as management to ensure the creditors of financial position and high repayment capacity. In case of default, the Company will notify creditors in advance for troubleshooting.

Competitors

Asia Aviation and its subsidiary have a policy to promote and support fair and open competition. The Company does not seek its competitors' trade secrets or information through illegal or unethical means. The Company shall not violate the intellectual properties of its competitors or others.

Society

The Company and subsidiary as Thai Company and serve Thai people for a long time, therefore the Company realises and is conscious to pay back and help the society together with supporting local activities in which the Company is operating.

Asia Aviation and its subsidiary have a policy to provide environmentally friendly products and services and to follow environmental-related laws including promote activities that help preserve the nature and conserve energy. It has a policy to select and promote the use of environmentally friendly products.

The details of the policy regarding responsibilities toward the society in 2023 are listed in the "Sustainability Report".



Employees

Asia Aviation did not have employees because all Asia Aviation's employees had been transferred to Thai AirAsia since December 31, 2011.

Our employees are our most valuable resource and key to success. Therefore, Asia Aviation and its subsidiary are committed to continuously enhance our corporate culture and good working environment, to promote teamwork, and to treat our employees with courtesy and to respect them as individuals as well as their privacy. Private information of employees, for example, salaries, medical records, and families, shall not be disclosed to outsiders or those who are not relevant, unless the information is required to be disclosed to the third party by laws. The employment, appointment, transfer and compensation shall be on the ethical basis and the human resources shall be engaged to the best advantage. The details are appeared as follow:

Recruitment Policy

- Thai AirAsia shall recruit and select the employees by considering the man power rates to be suitable for the size as well as structure of the organisation and developing nomination process of qualified personnel with knowledge, abilities and potentiality which is appropriate to the working position and conformable to the value of the Company including the objectives, development plan and succession by treating and giving equal opportunities to persons of every race, skin color, religion, gender, nationality, age, disabilities or other underprivileged groups.

- Process of Nomination and Recruitment shall be equitable and justifiable by having written examination and interview by the experienced committee with knowledge and abilities transparently.
- Employees are given importance and taken care of as a family member. Employees are appropriately taken care of in terms of compensation and benefit, in the warm and sharing working atmosphere.
- Mentoring system is promoted in order to create happiness for employees at work.

Benefit Management

Thai AirAsia provides the benefits for employees under the policy to manage benefits according to the needs and advantages of the employees.

Benefits include:

- Annual health check-up
- Group life insurance
- Group health insurance
- Provident fund which Thai AirAsia contributes according to the period of membership at the maximum of 10%
- Thai AirAsia Savings Cooperative
- Free air tickets (8 points per year)
- Free air ticket for employees' weddings
- A discount of 90% for unlimited air ticket per year
- Financial aid in case of death of family members, namely parents, spouses, and children
- Financial aid for child birth
- Employee uniforms

- Financial aid for medical treatment of diseases including cancer, heart disease, stroke, chronic renal failure and lung disease.
- Financial aid for employee family in case of death of employee

Remuneration and Benefits Management

Thai AirAsia has established a policy to manage remuneration in a fair and appropriate manner suitable for knowledge and skills of the employees according to the appraisal system and the job positions. Salary survey is done based on the external market and leading companies for appropriate adjustment in order to remain competitive in the same industry and to attract new talents.

Employee Relation Activities

Thai AirAsia provides opportunities for employees to express their opinions on activities and participate in various internal activities in order to promote good relations between employees and employees and the organisation as well as employees and the community, thus causing unity in the group and leading to happiness in working together in the organisation. Those activities include:

- Social activities such as Allstars Do Good. Thai AirAsia recognises the importance of safety in air travel and daily life. The Company therefore hosted Safety on Tour 2023 which focused on educating safety knowledge to the community. In 2023, Safety on Tour activities were led by the Corporate Safety Team, along with the volunteers from various departments.

- Company Anniversary Day Activities: The Management and employees jointly make merit on the anniversary of the Company's establishment according to the rituals of each religion.
- Activities to promote physical health of employees. Thai AirAsia highlighted the importance of employees health, employees can use smart phone application called "Wirtual" to track health activities daily for examples, running or walking. Thai AirAsia also rewards employees who have the most steps in the application.
- Activities to promote mental health of employees: Thai AirAsia recognises the importance of employees' mental health and encourages employees to use mental health counselling service that the Company has started under the name of "Allstars Peer Support" and Mental Health Care program called "Naluri" through smart phone application which have mental coach standby to give advice to employees 7 days a week, 24 hours a day.
- Activity to promote Financial Wellness: This activity aims to promote basic personal financial planning, covering aspects such as income management, expenses, savings, retirement planning, and investment. It is conducted in collaboration with financial institutions and consulting firms.
- Other employee relations activities occur both online and offline. In 2023, COVID-19 pandemic situation has been lift-up. The Company organises offline activities along with online channels such as CEO Town Hall to keep employees informed of the Company's operations, "Yoga after work", "Dr.Talk activities" by doctors from different fields to educate



employees and prevent risks from such diseases as diabetes, cancer, etc. Moreover, the organisation also hosts “ROV Competition Tournament” for employees to compete in online games in their free time.

- Annual employee appreciation event 2023 is a good opportunity for the Management and employees to meet and talk with one another and to express their gratitude to the employees who have worked diligently for AirAsia throughout the year. This event brings out joy to employees to enjoy food and beverages along with the artist that performed in the event.

Human Resources Development

As Thai AirAsia aims to continuously develop human resources with knowledge and expertise, and good quality of life according to the good corporate governance, Thai AirAsia has established a policy to develop human resources to their potential and to prepare them for the competition that will drive and sustainably strengthen the organisation. The goal is to get the employees to develop themselves using their own potential and to create proactive working atmosphere in practicing their skills and developing their knowledge and expertise to create confidence in dealing with changes and challenges in business competition.

Additionally, Thai AirAsia realises that the loss of any key personnel may affect negatively to the Company substantially, resulting in perseverance of the Thai AirAsia to motivate and maintain the employees of Thai AirAsia through offering the motivation on the basis of performances and upgrading the skills and abilities of the employees with training by Thai AirAsia to let

the employees participate in the meeting and attend the training continually in order that the employees receive and lift their skill level and abilities concerned (both in practice and development) to conform to the objectives of the business. On the job training is another essential guideline to transfer knowledge from the specialists to the new employees or employees in practitioner level. The investment in human resources helps the employees increase their abilities in Thai AirAsia. Furthermore, these development activities still help the Executives at the primary and middle level to get ready for responsibilities of the Senior Management continually.

Thai AirAsia is providing trainings according to needs of each business unit as follows:

Pilot

All student pilots of Thai AirAsia enroll for domestic trainings at Bangkok Aviation Center Plc. (BAC). BAC provides modern and advanced equipment and is certified by Federal Aviation Administration (FAA), Joint Aviation Requirements (JAR) and Civil Aviation Authority of Thailand (CAAT). BAC offers aviation trainings which are approved as a standard. Thai AirAsia grants an equal opportunity in student pilot recruitment. Employees from other departments can also apply. Student pilots usually finish their trainings in one year and continue with flight stimulator training for Airbus A320 aircraft. Thai AirAsia provides financial support for the trainings for student pilots, in return for the employment contract of ten years with Thai AirAsia.

Newly recruited pilots of Thai AirAsia who have not been trained for specific aircraft will be required to take part in the said trainings first. Trainings for specific aircraft are the categorising system to allow each pilot to specialise in one type of aircraft

specially. Currently pilots are trained with Airbus A320 Flight Simulator, operated by CAE Kuala Lumpur Sdn Bhd. in Kuala Lumpur.

Training for Pilots

- Meteorological
- Weight & Balance procedures
- Flight Operation, Report, Form, Merlot
- Pilot Transit Check
- Auto Flight
- Aircraft System Examination

Cabin Crew

Cabin Crew training project for approximately 60 days (holidays included) held in Asia Aviation Academy Training Center in Bangkok. All the trainings are conducted by the licensed trainers from the Civil Aviation Center of Thailand and/or certified by Thai AirAsia exclusive of mandatory curriculum pursuant to the Regulations of the Civil Aviation Center of Thailand and additional curriculum for examples, the announcement to the public, personality caring and taking care of the passengers, selling goods on the aircraft and selling skills.

Additionally, the cabin crew training will be conducted teaching and learning in English only and the training to review knowledge and abilities according to the fixed cycle of the regulations of the Civil Aviation Center of Thailand to maintain knowledge and abilities for Airlines operation.

Training for Cabin Crew

- Safety Emergency Procedures
- First Aid and In-flight Medical Events
- Safety Management System

- Crew Resource Management
- Dangerous Goods Regulations
- Aviation Security

Ground Staff

All ground personnel shall take part in customer service training at Asia Aviation Academy Training Center in Bangkok, which covers ticket reservation and check-in procedures of Thai AirAsia, baggage claim procedures, and customer services. Ground staff are taking part in year-round trainings, for example, dangerous good identification, first aid, and bomb threat handling.

Ground personnel also need to participate in ramp training for two to three weeks, which covers driving on the apron, cargo loading and cargo transfer, air traffic signaling, aircraft towing, apron safety, and safety procedures. Moreover, newly recruited employees also need to learn civil aviation regulations, aircraft maps, and vehicle movement regulations in the airport. In addition, Thai AirAsia provides training course (Supervisory Skills for Team Leader) to Ramp Team Leader to increase their management skill.

Training for Ground Staff

- Customer Service Excellence
- Central Baggage Tracing Office
- Sky Speed
- Duties & Checks
- Disability Equality Training

Training for Ramp

- Ramp Ground Handling
- Aircraft Pushback
- Initial Airside Safety and ERP Plan



Engineer

All engineers of Thai AirAsia shall take part in training at CAE Kuala Lumpur Sdn. Bhd. in Kuala Lumpur and Asia Aviation Academy Training Center in Bangkok. The training takes 52 days with six-month on-the-job training before a test by the Quality Assurance Department of Thai AirAsia. Nevertheless, Thai AirAsia is offering a commitment for an employment of three years in return. Engineers at Thai AirAsia are stationed at Thai AirAsia's hubs in Bangkok (Don Mueang), Bangkok (Suvarnabhumi), Phuket and Chiang Mai.

Trainings for Engineers

- Maintenance Familiarisation
- AMOS Training
- Aircraft And System Familiarisation
- Fuel Tank Safety
- Basic Electrical

Trainings for other positions

Soft skills training

- Leading in you Program for Senior cabin crew
- 7 Service wonders for Guest services
- Celebrating diversity
- Effective Time Management
- Effective Communication Skills
- Change management course
- Coaching for great performance course
- Managing performance through DE&I course
- Proactive leader
- Self mastery
- Service experience programmed
- Systematic thinking development
- Win the diversity at work Data Management
- Building Psychological Safety at Work

Throughout the past year, Thai AirAsia consistently supported and promoted safety through various activities and initiatives. Safety promotion aimed to cultivate the organisation's safety culture, aptly named "AirAsia Safety Culture." This culture emphasises that "SAFETY ALWAYS" is everyone's responsibility. To achieve a sustainable safety culture, the Company implemented various examples, such as:

- Annual Safety Day Activity: This event strengthened the organisation's safety culture.
- Hazard reporter activity that focuses on the participation of employees in reporting hazards or unsafe work environments, and improvement on the safety issues reported by employees. Our staff can submit the hazard report via REDEYE system which the employees can also report by computer or mobile application.
- Kiken Yoshi Training (KYT): This training empowered employees to analyse and predict potential hazards in their operations, enabling them to prevent them effectively.
- Safety Journal Activity: This monthly activity aimed to raise awareness and participation by communicating safety knowledge to all employees.
- Well Done Awards Activity: This initiative recognised and certified employees who identified abnormal or hazardous conditions in the workplace.
- Safety Improvement Activity: This program embraced the "Kaizen" concept, encouraging continuous improvement of areas and work processes with a focus on safety.

- Emergency Response Manual: This manual provided guidelines for handling emergencies accurately, promptly, and appropriately, adhering to the latest ICAO requirements.
- Safety Management System (SMS) Manual: This manual established procedures for managing the Company's safety comprehensively, accurately, and in accordance with the latest ICAO requirements.
- Occupational Health & Safety Management System (OHSMS) Manual: This manual outlined procedures for managing the Company's occupational health and safety effectively, accurately, and in line with the latest Occupational Safety, Health, and Environment Act B.E. 2554 (A.D. 2011) requirements.
- Furthermore, the Company established and regularly revised emergency plans for each station within Thailand and abroad. These plans served as crucial guides for handling emergencies appropriately at each location.
- Thai AirAsia held monthly Occupational Safety, Health, and Environment in the Workplace Committee meetings to review safety performance. This practice ensured ongoing monitoring and improvement.
- The Company also conducted regular inspections of the working environment to identify and address potential hazards, including noise dose monitoring, light inspections, and chemical agents monitoring.

Occupational Safety, Health and Environment in the Workplace

In 2023, Thai AirAsia has the responsibility of maintaining a safe working environment for its employees and safeguarding the organisation's property, all while strictly adhering to relevant laws. The Company activity pursued aviation safety initiatives under the Safety Management System, fostering cooperative coordination with the Safety Department, sub-committees on Flight Safety, Cabin Safety, Engineering Safety, and the Occupational Safety, Health, and Environment in the Workplace Committee for projects. These efforts reported directly to the Chief Executive Officer, solidifying a focus on sustainable safety within the organisation.





- To safeguard employee health, Thai AirAsia provided health checkups specific to occupational risk factors, adhering to legal requirements. These checkups included pre-placement examinations, periodic examinations, and return-to-work assessments.
- Recognising the diverse needs of different employee groups, Thai AirAsia offered targeted training programs. These programs covered various safety aspects, including:

1) Pilots and Cabin Crew (Annually):

- Crew Resource Management
- Safety Emergency Procedure

2) All Employees:

- Emergency Response Plan
- Safety Management System
- Human Factors
- Dangerous Goods Regulations
- First aid training and medical evacuation training (to mitigate risks associated with incorrect medical evacuation)
- Occupational Disease and Environmental Disease
- Occupational Health and Safety (for both employees and outsourcers)

Thai AirAsia established clear targets and safety performance indicators for its Occupational Health, Safety, and Environment Management System. This data-driven approach enabled the Company to track progress and identify areas for improvement.

The Company achieved a notable reduction in ground accidents rate in 2023, with a rate of 4.45 per 10,000 flight departures, representing a 0.9% decrease compared to the previous year.

It's important to note that most accidents involved unsafe acts and conditions related to driving vehicles and ground equipment.

In light of these findings, Thai AirAsia remains committed to continuous improvement in safety, occupational health, and the workplace environment. This commitment involves ongoing hazard identification, risk assessments, and implementation of preventive measures to minimise risks and hazards to acceptable levels. The Company prioritises engineering controls, job-specific risk training, regular review of safety regulations, and effective utilisation of technology to achieve its safety goals.

Thai AirAsia's unwavering dedication to safety is undoubtedly a cornerstone of its sustainable business operations.

Human Rights Policy

Asia Aviation and Thai AirAsia operate with respect to and give importance to promote the protection of human rights in all aspects, and will not engage or take part in any act of violation of human rights. The Company and its subsidiaries shall adhere to the principles of human rights and all applicable laws and regulations.

Asia Aviation and Thai AirAsia impartially respect the rights of all employees and stakeholders without prejudice against origin, race, religion, gender, ethnicity, age, disability, or any other status entitled for rights, by adopting the principle of human rights.

Asia Aviation and Thai AirAsia regularly study and follow changes and modifications in applicable regulations and laws related to human rights in order to effectively enhance the Company's policy on human rights.

Asia Aviation and Thai AirAsia provide knowledge and understanding for the Board of Directors, Management, and all employees in regard of human rights in terms of policy and operating practice, and urge all employees and stakeholders to cooperate in examination and reporting any violation of human rights through Whistle Blower. For the year 2023 the Company had not received any complaint regard to violation of human rights.

Treatment for Employees

- Recruitment shall be done on the basis of fairness and equality. Everyone shall receive an equal opportunity in applying and examination for employment under the applicable legal framework and related regulation, without any discrimination based on gender or disability that does not prevent the person from performing his or her duty.
- Employees shall be treated with fairness and honesty. All employees shall be employed under regulations and conditions that comply with laws, regulations, and customary practices. Child labor, forced labor, or breach of labor standard shall not be practiced.
- Any violation of human rights shall be eliminated. Discrimination shall be prohibited and measures will be put in place to ensure equal opportunity for all employees.
- Operating policy shall be put in place to guarantee personal safety for all employees, along with their entitled rights for a clean, safe, and healthy workplace.
- Physical punishment, mental or physical abuse, or verbal harassment shall not be practiced or accepted.

Treatment for Other Stakeholders

The Company shall respect the rights in relation to laws, culture and traditions, for all the stakeholders including customers, business partners, subcontractors, and communities around the workplaces. All stakeholders shall be treated equally and encouraged to follow the international standards for human rights.

Intellectual Property Right Policy and Practice

Asia Aviation and Thai AirAsia operate with respect to, and encourage the human resources to perform their duties, in compliance with laws and regulations regarding intellectual property right, including trademarks, patents, copyrights, trade secrets, and other intellectual properties specified by laws, for example, the use of copyrighted computer software that are inspected and installed by the Company's information technology department only, the encouragement for employees to examine their work or information that it does not violate any intellectual property right.



Communication with Stakeholders and Whistleblowing Policy

(GRI 2-16, 2-25, 2-26)

Stakeholders can inquire for information, complain, or report any unlawful violation, the inaccuracy of financial reports or internal control system, and the breach of business ethics of the Company and its subsidiary directly to the Independent Directors or the Audit Committee at taa_auditcommittee@airasia.com and thaiwhistleblower@airasia.com.

The Company has disclosed Whistleblowing Policy on its website at www.aavplc.com under title “Corporate Governance” and subtitle “Whistleblowing Channel”. Complaints and reports shall be protected and treated confidentially by the Independent Directors or the Audit Committee for further inspection and solution (if any) and shall be reported to the Board of Directors later.

Anti-Corruption Policy

Asia Aviation and Thai AirAsia operate businesses on the basis of transparency, fairness and integrity by identifying the organisation structure with clear segregation of responsibilities, working process, chain of command in each organisation so as to balance the appropriately intra-related power. Practical guidelines for Directors, Management, staff and related parties are determined so as to protect and prevent every form of fraud and corruption. This is the joint obligations to perform duties, make decisions and conduct businesses that may expose to certain fraud and corruption under good investigation and care. Details are as follows:

Definition

“Corruption” means any act of bribery by engaging in the act of directly or indirectly offering, promising, soliciting, asking, or accepting money, valuable items, or any inappropriate advantages with government officials, state or public agencies, or any concerned agents so that the said agents perform or refrain from performing their duties rightfully in order to gain or achieve unethical advantages for business. Exceptions shall be made should they be permitted by laws, rules, regulations, announcements, customs, local traditions, or common business practices

Overall Policy

All Directors, members of Management, employees of Asia Aviation and Thai AirAsia are prohibited from implementing or accepting any act of direct or indirect corruption. Anti-Corruption policy audit or examination shall be done regularly along with revision of roles and duties of all concerned parties and the guidelines for practice, in order to remain relevant to changes in businesses, rules, regulations, and legal requirements.

Roles and Responsibilities

1) Board of Directors has duties and responsibilities in setting policies and overseeing the promotion of the effective anti-corruption system in order to ensure that its members of Management are aware and give importance to counter bribery and corruption.

- 2) Audit Committee has duties and responsibilities in auditing the financial reporting system, internal control system, and risk assessment, to ensure that the systems hold least risk in corruption that may affect the Company's financial position and operations, and that the systems are appropriate, trustworthy, and in accordance with international standards. The Committee shall also be notified of suspicious engagement in corruption or bribery involving internal parties, and examines cases and proposes punishments alongside the Board of Directors.
- 3) Chief Executive Officer and members of Management have duties and responsibilities in setting up the system and promoting and supporting anti-corruption policy in order to disseminate to employees and all associated parties to adopt for operation. They also shall review the appropriateness of the system and measures in correspond with the changes in business, and rules, regulations and legal requirements.
- 4) Internal Control Department has its duty to audit that the performance of all departments in the Company is accurate and in line with the regulations. The Department is responsible for the audit report and the risk evaluation in relation to corruption from internal control examination, for the Audit Committee. In addition, the Department is to be responsible for any tasks assigned by the Audit Committee concerning corruption investigation.

Operating Guidelines

- 1) Directors, Management, and employees at all levels shall uphold the Anti-Corruption and business ethics policy by not directly or indirectly engaging in any act of corruption.
- 2) Any employee who discovers any act of corruption related to the Company or its subsidiary must report it to his/her supervisor or a responsible person. Employees shall provide cooperation in investigation. Should employees have any questions or doubts, they can consult their supervisors or a responsible person whose duty is to monitor business ethics compliance through established channels.
- 3) Asia Aviation and Thai AirAsia shall provide justice and shall protect the employees or the persons reporting the violations by adopting measures to protect whistleblowers or those who cooperate in reporting the corruption as specified by the Whistleblowing Policy.
- 4) The violator of the Anti-Corruption policy is deemed as breaching the business ethics, and shall be considered for disciplinary punishment as regulated, and may be punished by laws should the violation is unlawful.



- 5) Asia Aviation and Thai AirAsia communicate and create understanding and awareness for all stakeholders who perform or operate any significant issues that may affect the Company or its subsidiary in relevance to the Anti-Corruption policy.
- 6) Any activity in concern with the Anti-Corruption policy shall follow the guidelines on code of conduct, good corporate governance principles, and practice guideline towards stakeholders, relevant rules, regulations, and operating guidelines, and other guidelines that Asia Aviation and Thai AirAsia may issue in the future. However, for operation clarity in issues that involve high corruption risk, Directors, Management, all employees at all levels shall take extra attention when handle the following issues:

Financial or Other Benefits

- Directors, Management, and employees shall not personally accept financial or other benefits from customers, business partners, or any persons for working in the name of Asia Aviation and Thai AirAsia.
- Directors, Management, and employees shall not lend or borrow, or collect contribution from customers or business partners of Asia Aviation and Thai AirAsia except loans from banks or financial institutions as customers of said banks or financial institutions.

Gifts and Hospitality

- Directors, Management, and employees shall not accept gifts, in cash or in kind, from customers or business partners of Asia Aviation and Thai AirAsia.
- Directors, Management, and employees shall not accept business hospitality from customers, business partners or any persons who may be influential to the business decision.

Cash or Other Rewards

- Asia Aviation and Thai AirAsia do not have any policy to offer cash, bribery, inducement, or any special rewards in any forms to customers, business partners, other external agents, or any individuals in order to gain business advantages, except customary business hospitality, business discount, and the Company's sales promotion.

Charitable Contribution or Sponsorship

- Charitable contribution or sponsorship shall be done in a lawful and transparent manner and follows procedures specified by Asia Aviation and Thai AirAsia. Examination and approval of transaction shall be done by authorised persons of Asia Aviation and Thai AirAsia and follow up shall be done in order to ensure the contribution or sponsorship is used in accordance to its objectives and not as a subterfuge for bribery.

Risk Assessment for Corruption

Thai AirAsia has assessed the corruption risks which is one of the internal control sufficiency evaluation of the Company. It has assessed, analysed, monitored, controlled and collected the

status of the overall corruption risk to be under the acceptable risk level as well as investigate suspected cases where there is a risk of fraud and prepare a report to present to the Audit Committee and Board of Directors quarterly. In 2023, the team analysed and assessed the risks of the business to identify the operations of parties at risk that may be involved in corruption such as embellishment, forgery or alteration of records or financial documents or reports, misuse or misappropriation of entity assets, conflicts of interest, misuse of internal information of the Company and various forms of corruption, etc. The information obtained from the assessment will be used to increase the efficiency and effectiveness of the internal audit guidelines as well as prevention of fraud in the operation by having a good internal control system.

Dissemination of Anti-Corruption Policy

For every individual in the organisation to be aware of the Anti-Corruption policy, Asia Aviation and Thai AirAsia will perform the following actions:

- 1) Communicate the Anti-Corruption policy through corporate communication channel, namely the Company's website, Form 56-1 One Report.
- 2) Provide training on Anti-Corruption policy for new recruits.
- 3) Review Anti-Corruption policy annually.





Report of Interest

The Company has required Directors, Executives and employees to report their own interests and those of related persons when starting their positions or when there is a change in various information. Directors have to present their stakeholder reports to the Company Secretary and the Management and employees to the People Department.

Code of Conduct

Asia Aviation has operated its business in adherent to strict business ethics, including safeguarding Asia Aviation's and its subsidiary' confidentiality, abiding laws, operating in an honest and prudent manner, paying respect to each other, and taking good care of Asia Aviation's properties and the environment. All Directors, Management and employees shall oblige by this guideline. All Directors and new recruits shall receive a business ethics manual that they have to acknowledge and strictly follow.

The Company has disclosed its complete Code of Conduct on the Company's website www.aavplc.com, under title "Corporate Governance", under subtitle "Corporate Governance Policy and Download" and under subtitle "Code of Conduct".

Compliance to Rules and Regulations and Code of Conduct

Thai AirAsia determines to promote understanding among the employees in regard of principles and policies related to code of conduct and the compliance to rules and regulations, along with the handling and reporting of suspicion of violation of laws, rules and regulations, and policies of Thai AirAsia that raises doubts in integrity of the employees or Thai AirAsia.

Thai AirAsia has prepared a Code of Conduct Training Course for all employees to understand the principles and standards that all employees must follow in order to prevent doubts about honesty of the employees and Thai AirAsia. The training covers educating and understanding employees in relation to the prevention and suppression of corruption so that employees can learn how to prevent and report incidents or behaviors that imply corruption to the Company as well as Anti-Corruption & Bribery Policy so that employees may understand the problems and impacts of corruption and bribery and learn how to prevent and report incidents or behaviors that may indicate corruption or bribery through different channels to the Company.

The said training courses are compulsory to all employees at all levels to attend and pass a test and new employees must attend all training testing courses within the probationary period and will not be placed as permanent employees if they do not pass the training and testing.

Thai AirAsia monitors and evaluates the compliance of rules and regulations and code of conduct of employees, Management and the Board of Directors. The internal audit department is responsible and reports the evaluation results to the Audit Committee annually.

Significant Changes and Developments to the Policies, Practices and System of Corporate Governance in the Year 2023

During the past year, the Company has reviewed the Principles of Good Corporate Governance by improving the policies, practices and system of corporate governance continually to increase the effectiveness of corporate governance as well as the development of the corporate governance and good practices both local and international in order to apply them suitably with the business operation of the Company and its subsidiary. For Corporate Governance Code for Listed Companies 2017 (CG Code), the Company applied them to the business context of the Company mostly, whereas any principles in any issues which are not yet established as the policy or not yet applied because such principles do not conform to the context and the current business operation, the Company's Board of Directors shall consider and revise them to develop and follow up implementation to cover and catch up with the development of corporate governance of the business which will be changed in the future. Thus, major developments in the past year are as follows:

- Reviewed Corporate Governance Code for Listed Companies 2017 (CG Code) to apply with the corporate governance policy of the Company which had been resolved by the Company's Board of Directors in the Meeting on 23 February 2023.
- Approved and reviewed Risk Management Committee and Audit Committee's Charter.
- To consider the opinions concerning the sufficiency of the internal control system and approve the appraisal form of the internal control of Thai AirAsia for the year 2023.
- Approved and reviewed Risk Management Policy.
- Approved the establishment of Safety Committee.
- Approved and reviewed Personal Data Protection Act (PDPA) Policy.
- Approved and reviewed the Sustainability Policy and Environmental Management Policy.
- Reviewed the Climate Change.
- Approved and reviewed Code of Conduct.



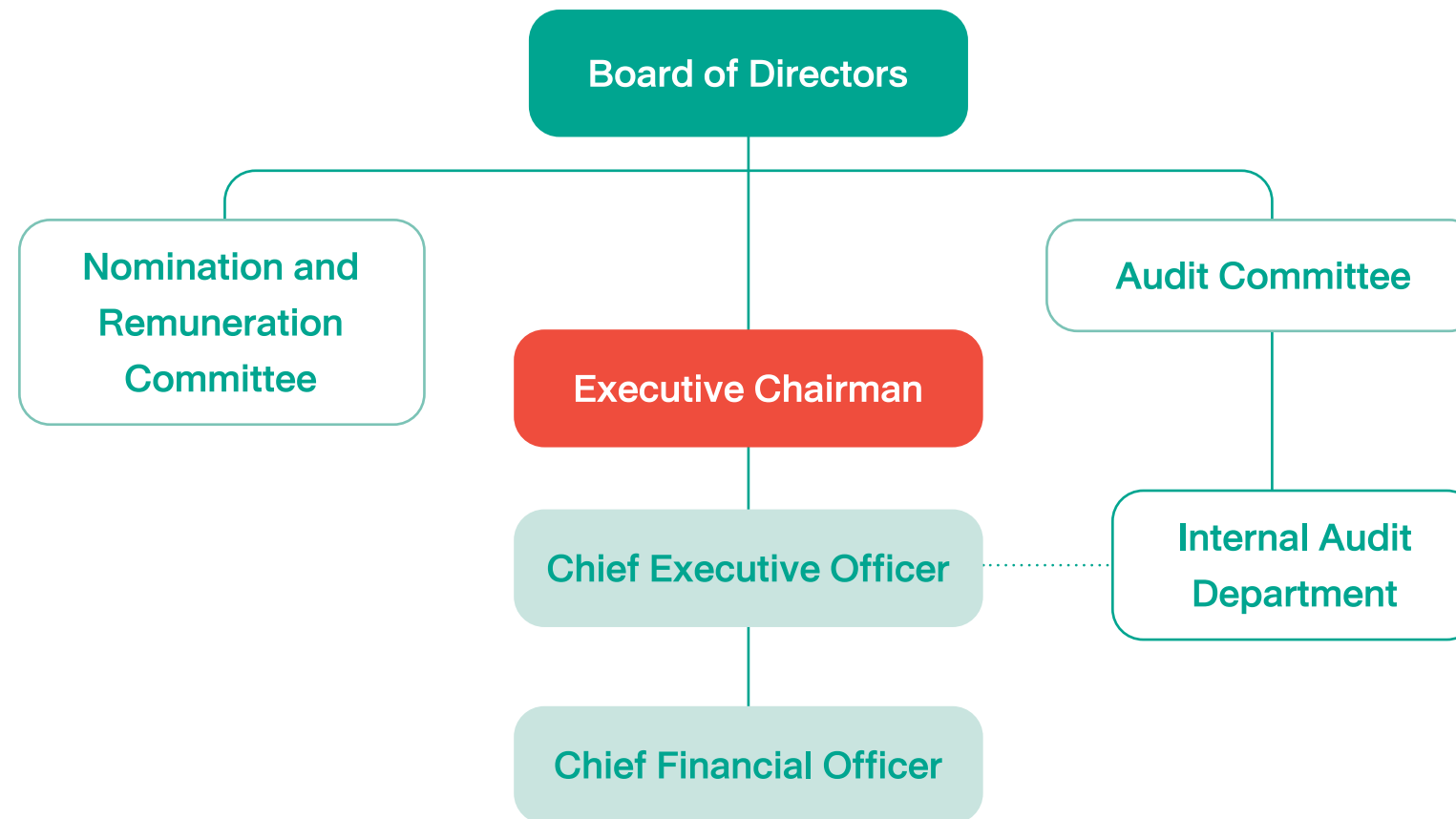


Governance Structure and Important Information of the Board of Directors, Sub-Committees, Management, Employee and Others



Governance Structure of Asia Aviation

as of 31 December 2023



■ Management apart from the definition defined by the Notification of the Securities and Exchange Commission

■ Management as defined by the Notification of the Securities and Exchange Commission

Information of the Board of Directors

The Board of Directors of Asia Aviation understands the roles, duties and responsibilities clearly set up according to the Board of Directors' charter and shall always supervise the operation of the Company ethically, respect the rights and bear responsibility for the shareholders and all groups of stakeholders with contributing benefits to the society and preserve the environment and prepare for readiness to cope with the changes from various issues by maintaining the competitiveness for the long-term benefits of the shareholders.

The Board of Directors

As of 31 December 2023, the Board of Directors of Asia Aviation comprises 12 Directors while 4 of them are Independent Directors equal to 1/3 (or 33 percent) of all Directors and 9 of them are Non-Executives Directors, equal to 75 percent of all Directors.





Name	Position
1. Mr. Vichate Tantiwanich	Chairman of the Board/ Chairman of the Audit Committee/ Independent Director
2. Mr. Veerayooth Bodharamik	Director/ Audit Committee/ Independent Director
3. Mr. Dinesh Nambiar	Director/ Audit Committee/ Independent Director
4. Mr. Sirot Setabandhu	Director/ Independent Director
5. Mr. Tassapon Bijleveld	Executive Director
6. Mr. Santisuk Klongchaiya	Executive Director
7. Mr. Phairat Pornpathananangoon	Executive Director
8. Mrs. Pattra Boosarawongse	Director
9. Mr. Rozman Bin Omar	Director
10. Dato' Mohamed Khadar Bin Merican	Director
11. Mr. Nuttawut Phowborom ⁽¹⁾	Director
12. Mr. Yuthapong Ma	Director

Note: ⁽¹⁾The Board of Directors' Meeting resolved to appoint a new director, Mr. Kulvat Janvatanavit, as a director, effective from 22 February 2024, replacing Mr. Nuttawut Phowborom who resigned as a director on 22 February 2024.

The Company Secretary is Miss Nisres Distes.

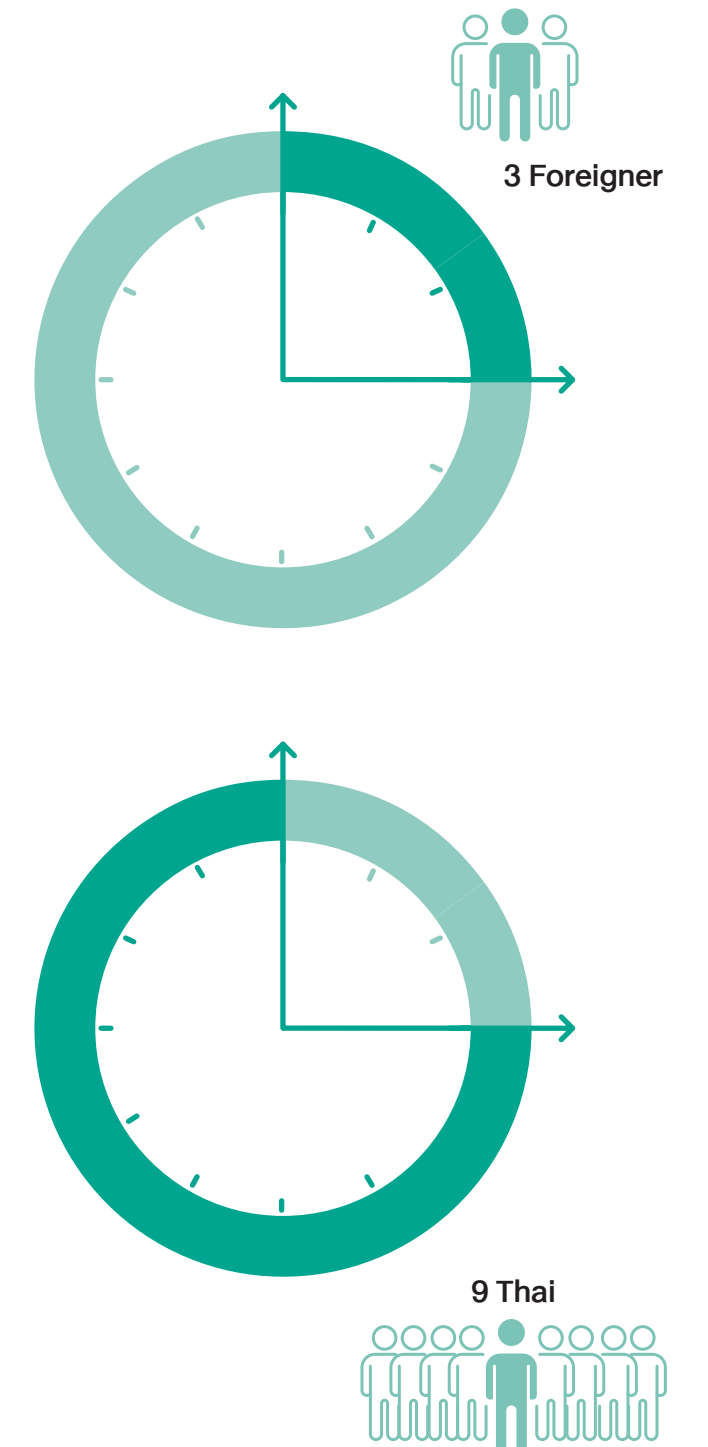
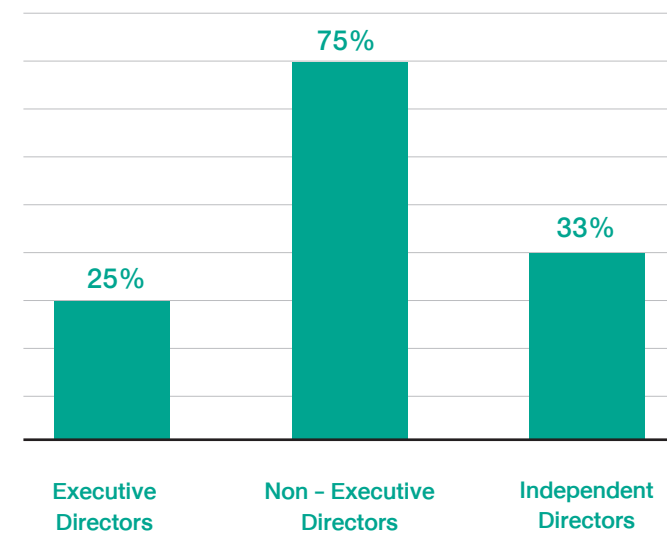
The Company disclosed Board of Directors Profiles as attachment on the Company's website at www.aavplc.com under title "Investor Relations", subtitle "Publication and download"

Authorised Directors

"Mr. Tassapon Bijleveld jointly sign with Mr. Santisuk Klongchaiya or Mr. Phairat Pornpathananangoon or Mrs. Pattra Boosarawongse or Mr. Rozman Bin Omar, totaling two persons with an affixation of the Company seal."

Board Diversity Policy

The Company realises the significance of recruiting, selecting and appointing qualified candidates as the Company's Board of Directors and members of sub-committee by preparing a board skill matrix, which helps the recruiting process for Directors go in line with the Company's business operation and both short-term and long-term strategies. The Company puts into consideration knowledge, experience, specific capabilities beneficial to the Company's business operation without discrimination of gender or race or any difference so that the Board is formed by qualified Directors for the Company's maximal benefits. The details of Board Skill Matrix are as follows:





The Division of Duties and Responsibilities between the Board of Directors and Management

Asia Aviation has clearly divided duties and responsibilities between the Board of Directors and Management. The Board of Directors sets out policies and administers the operation of the Management on the policy level, while the Management manages each area according to the policies and Authority Limit which has been approved by the Board of Directors and recorded as resolution passed in the Minutes of the Board of Directors Meeting. Consequently, Chairman of the Board of Directors cannot be the same person as Executive Chairman, Chief Executive Officer nor Executive Director in order to balance and examine the Management.

Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors of Asia Aviation as the leading organisation, creating value to the business sustainably, has the authorisation and responsibility to operate the business of Asia Aviation in accordance with the law, objectives, Articles of Association and resolutions of Shareholders' Meeting in an honest and prudent manner in the best interests of the Company and shareholders. Scope of duties and responsibilities of Asia Aviation's Board of Directors are as follows:

- To conduct their duties in compliance with the laws, objectives, Articles of Association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings with responsibility, duty of care and duty of loyalty, and with the best interest of the Company.
- To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, operational plans and budget of Asia Aviation and its subsidiaries as prepared and proposed by Management and oversee the administration and the performance of the Management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
- To follow-up the outcome of work to ensure compliance with the plan and budget on an ongoing basis.
- To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system, internal control and internal audit system. These include establishing reliable financial report.
- To review the risk management procedures and policies and also follow up on the results.
- To prevent conflicts of interests among stakeholders of Asia Aviation and its subsidiaries.
- To consider and approve related party transactions of the Company and its subsidiaries in compliance with notifications and regulations of the Stock Exchange of Thailand.
- To set up corporate governance policy according to the good governance principle and business etiquette, comprising the principles and good practice guidelines for Directors, Management and employees properly by focusing on the creation of consciousness of responsibilities to perform duties, understanding and strictly complying with them simultaneously with the regulations and procedures of the Company to be justifiable to every group of stakeholders as well as reviewing at least once a year.
- To appoint the sub-committee such as Audit Committee, or any other sub-committees in order to appropriately assist and support the Board of Directors duties.
- To provide the nomination system of the personnel to be responsible for the Major Management position properly and to have proper nomination with transparency and justification. The Senior Management of the Company from the Head of Department, Chief Executive Officer and Executive Chairman shall be appointed by the resolution of majority votes of the Board of Directors.
- To conduct the assessment of self performance, Chief Executive Officers and Senior Management.
- To appoint the Company Secretary to assist the Board of Directors in its various activities to run the business in line with the related laws and regulations.
- To seek professional opinions from external agencies, if required, in order to support the appropriate decisions making.



14. To prepare and disclose annual reports and financial statements in order to present financial position and operating results for the past years to the Shareholders' Meeting.
15. To arrange for the Annual General Meeting of Shareholders within four months of the end of each fiscal year of Asia Aviation.
16. To approve the investment decisions for business expansion or joint venture with other business operators.

In any case, the authorisation of duties and responsibilities of the Board of Directors of Asia Aviation shall not constitute an authorisation or sub-authorisation which may cause the Board of Directors of the Asia Aviation or its authorised person(s) to be able to approve any transaction that such person or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board) may have an interest or may benefit in any manner or may have any other conflict of interest with Asia Aviation or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors' Meeting.

Duties and Responsibilities of Chairman of the Board

1. The Chairman has an important part in making decisions for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the

business direction together with the Management, and provides recommendations for business operation to the Management through the Chief Executive Officer without interfering in the daily duties of the Management. The Chairman as the leader of the Board of Directors, oversees and monitors the performance of the Board of Directors and sub-committees and encourages all Directors to achieve the objectives as planned.

2. To be a leader in the Board of Directors' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Articles of Association of the Company. In addition, the Chairman encourages Directors to participate in Meetings, express their opinions equally and provide comments independently. In case of the votes come to a draw between two sides, the Chairman of the Board of Directors makes the casting vote. Another key role of the Chairman is to summarise the resolutions of the Meeting and ensure that all proceedings will be done clearly.
3. To be a leader in the Shareholders' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Articles of Association of the Company. In addition, the Chairman shall allocate sufficient time and allow shareholders to express their opinions equally as well as answer inquiries of shareholders' appropriately and transparently.
4. To support and be a good role model in compliance with corporate governance and business ethics.

Information of the Sub-Committee

The Board of Directors appointed 2 sets of sub-committees to support the efficiency and effectiveness of the operation of the Board of Directors. Each sub-committee shall perform the duties in accordance with the charter of duties and responsibilities specified clearly and approved by the Board of Directors whereas such sub-committee shall give suggestions in various fields in which they are specialised to the Board of Directors. Thus, the compositions of each sub-committee including duties and responsibility are as follows:

Audit Committee

Asia Aviation's Audit Committee comprises 3 Independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand. As of 31 December 2023, the Company's Audit Committee is as follows:

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of Audit Committee
2. Mr. Veerayooth Bodharamik	Audit Committee
3. Mr. Dinesh Nambiar	Audit Committee

Mr. Vichate Tantiwanich has sufficient knowledge and experience to review the reliability of the financial statements of the Company. The Secretary to the Company's Audit Committee is Miss.Orawan Phunamsarp.

Term of Positions

Members of the Audit Committee serve a term of three years and are eligible for reappointment at the end of the term.

Composition and Nomination of Audit Committee

Board of Directors shall appoint at least 3 members of Audit Committee from Independent Directors whose qualifications meet the requirements per the Notification of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand as follows:

1. Not being a Director authorised by the Board of Directors to make any decision in the business operation of Asia Aviation, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, Major Shareholder or control person of Asia Aviation;
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; and
3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member.

At least one member of the Audit Committee must have sufficient knowledge and experience to review the reliability of the financial statements.

Should any of the members of the Audit Committee vacate his or her office by rotation or any other reasons, and leave the number of less than three committee members, the Board of Directors shall appoint a replacement within three months after the office is vacated in order for the Committee to continue their duties without any disruption.



Scope of Duties and Responsibilities of Audit Committee

1. To review the Company's financial reports process to ensure that it is accurate and adequate.
 2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, performance appraisal, transfer and dismissal of the chief of an internal audit unit and/or to hire external company or any other unit in charge of an internal audit. Also to determine an internal audit unit's independence and express opinions regarding the operation plan and results, budgeting and the workforce of the Internal Audit Unit. Also to obtain appropriate consultations from the independent specialist relating to its scope of duties and responsibilities with the Company's expenses.
 3. To review the Company's compliance with the law on Securities and Exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the Company's business.
 4. To consider, select, nominate and dismiss an independent person to be the company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year. The engagements of the office of the Auditors and its related parties to provide the non-audit work were reported to the Audit Committee to ensure that it would not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the Auditors.
 5. To review the related party transactions, or the transactions that may lead to conflict of interest, to ensure that they are in compliance with the laws and the regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company.
 6. To review the effectiveness and efficiency of the established risk management measures, such as strategic, operational, financial, compliance, social, environmental, economic, tax, IT and corruption risks.
 7. To review and approve the Internal Audit Charter regularly every year that is in line with the Company's business responsibilities. Any significant revisions need to be approved by Audit Committee. Also communicate the Internal Audit Charter to all internal auditors.
 8. To review and evaluate the adequacy and appropriateness of the Audit Committee Charter regularly every year. Any significant revisions need to be approved by Audit Committee and the Board. Also communicate the Audit Committee Charter to stakeholders.
 9. To oversee the investigation of the related parties and matters under its scope of authority, duties and responsibilities and to seek external consultants or professional experts to provide advice and recommendations as deems necessary and appropriate. In addition, review compliance with the anti-corruption policy and operating guidelines that are related to fraud and corruption.
 10. To prepare and disclose in the Company's Annual Report, an Audit Committee's Report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - an opinion on the accuracy, completeness and credibility of the Company's financial reports;
 - an opinion on the adequacy of the Company's internal control system;
 - an opinion on the compliance with the law on Securities and Exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the Company's business;
 - an opinion on the suitability of an auditor;
 - an opinion on the transactions that may lead to conflicts of interests;
 - the number of the Audit Committee Meetings, and the attendance at such meetings by each committee member;
 - an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
 - other transactions according to the Audit Committee's Responsibilities as assigned by the Board of Directors, which should be known to the Shareholders and general investors.
 11. If any following actions significantly affect the financial status or performance of the Company, the Audit Committee shall report to the Board of Director for further improvement within the suitable time set by the Audit Committee:
 - Transaction that causes the conflict of interest;
 - Fraud or any significant irregular events or problems in the internal control system; and
 - The violation of law by Security and Exchange Commission, SEC's regulation or law related to the Company business.

If the board of director or management has not taken any action to resolve the above matter within the specified time frame, any committee member shall report to aforementioned matter to the Security and Exchange Commission or Stock Exchange of Thailand.
 12. To perform any other act as assigned by the Company's board of directors, with the approval of the Audit Committee.
- The Audit Committee is responsible to the Board of Directors according to the duties assigned by the Board of Directors, while the responsibilities for all activities of the Company towards third persons are still vested in the entire Board of Directors.



Nomination and Remuneration Committee

Asia Aviation's Board has appointed of the Nomination and Remuneration Committee, which comprises of 3 committee members as follows:

Name	Position
1. Mr. Nuttawut Phowborom ⁽¹⁾	Chairman of Nomination and Remuneration Committee
2. Mr. Vichate Tantiwanich	Nomination and Remuneration Committee
3. Mr. Veerayooth Bodharamik	Nomination and Remuneration Committee

Note: ⁽¹⁾The Board of Directors' Meeting acknowledged the resignation of Mr. Nuttawut Phowborom as Chairman of Nomination and Remuneration Committee and resolved to appoint of two independent directors namely Mr. Veerayooth Bodharamik as Chairman of Nomination and Remuneration Committee, and Mr. Sirot Setabandhu as a new member of Nomination and Remuneration Committee effective on 22 February 2024.



Term of Positions for Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee serve a term of three years and are eligible for reappointment at the end of the term.

Scope of Authority and Responsibilities for Nomination

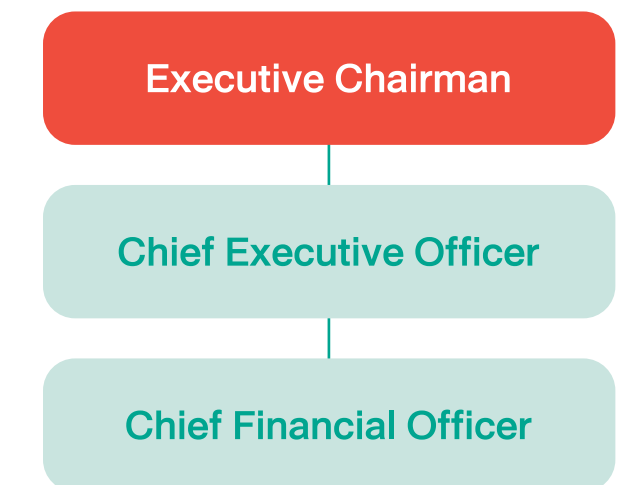
- To determine the structure, size, and composition of the Board of Directors and sub-committees to be suitable for the organisation and its changing environment.
- Determine guidelines and policies in nominating Board of Directors and sub-committee members and consider qualified candidates to replace those who are vacating the office, and propose the matter for approval by Board of Directors and/or Shareholders as the case may be.
- Nominate qualified candidates for Senior Management when the position is vacant.
- Provide opportunity for minority shareholders to nominate candidates for the Company's Directors by giving appropriate time frame prior to the Shareholders' Meeting.
- To perform other tasks as assigned by the Board of Directors.

Scope of Authority and Responsibilities for Remuneration

- To determine criteria and the form of payment to the Board of Directors and sub-committees which are clear, appropriate and correspond to each person's responsibilities and his/her performance in relation with the business operation, and other relevant factors, while taking into consideration remunerations provided by other leading companies in the Stock Exchange and companies in the same or similar industry.
- To set up the guidelines and assessment of the performances of the Company's Board of Directors and sub-committees to improve operational efficiency and support the consideration to set up remuneration.
- To determine appropriate remuneration for the Board of Directors and sub-committees for the Board of Directors' considerations and propose to the Shareholders' Meeting for approval.
- To disclose the policy for the Board of Directors' remuneration, including its principles, reasons, and objectives in the Form 56-1 One Report.
- To responsible for other tasks as assigned by the Board of Directors.

Information of Management

Management Structure



Executive Chairman serves as Chairman of the Management and has responsibilities for administering business direction and business policy in overall, while Executive Chairman is not in charge of overseeing the business operation and/or day-to-day management of the Company.

Management, defined by the Notification of the Securities and Exchange Commission, means a Director, Manager or a person holding a Management-level-position of the first four ranking below the Manager, a person holding a position equivalent to the person holding a Management-level-position of the fourth ranking, including a person holding a Management-level-position in an accounting or finance department at the level of Manager of the department or higher or an equivalent position.



Management Team

As of 31 December 2023, the list of Asia Aviation's Management team is as follows:

Name	Position
1. Mr. Tassapon Bijleveld	Executive Chairman
2. Mr. Santisuk Klongchaiya	Chief Executive Officer
3. Mr. Phairat Pornpathananangoon	Chief Financial Officer

Duties and Responsibilities of Executive Chairman

Executive Chairman serves as Chairman of the Management and has responsibilities for management and business policy planning as assigned by the Board of Directors as follows:

1. To administer the Company's overall direction, business policy as well as to determine and review management plans and strategic goals jointly with the Management to in line and correspondence with the economic and competitive conditions, and propose to the Company's Board of Directors for approval.
2. To monitor implementation of the policy, direction, strategies, plans and administration to make sure the Company efficiently and effectively meet with the goals set forth,

3. To map out an investment plan and assess business opportunities in new investment projects, and propose to the Company's Board of Directors for approval.
4. To have authorities, duties and responsibilities as assigned or in line with the policy given by the Company's Board of Directors.

Executive Chairman may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of The Executive Chairman shall not provide Executive Chairman or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Asia Aviation or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the shareholders or the Board of Directors.

Duties and Responsibilities of Chief Executive Officer

1. To be designated as authorised person in administering Asia Aviation's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals, and budgets of Asia Aviation as approved by the Board of Directors of Asia Aviation and/or resolutions of the Shareholders' Meeting.

2. To prepare business plans and to assign management authority as well as set the business operation and annual budgets for the approval from the Board of Directors of Asia Aviation, and to report the business progress according to the plans and budgets as approved to the Board of Directors of Asia Aviation.
3. To establish corporate structure and administrative procedures, including recruitment, training, dismissal, and remuneration, salary, compensation, bonus and other benefits for employees.
4. To monitor and report situation and performance of Asia Aviation and to propose alternatives and strategies in accordance to policies and market situation.
5. To manage and control all areas of operation for Asia Aviation, including finance, risk management, internal control, business operations and support functions, and human resources.
6. To represent Asia Aviation and to be designated as authorised person in liaising with government agencies and other organisations.
7. To oversee communication activities with the public, stakeholders, customers, and staff members in order to promote image and reputation of Asia Aviation.
8. To ensure good corporate governance.

9. To authorise the establishment, amendment, and modification of the employment rules and regulations for Asia Aviation such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits.
10. To consider, negotiate, and approve legal transactions, and/or business operation activities, and/or daily business administration of Asia Aviation within the Authority Limits approved by the Board of Directors of Asia Aviation.
11. To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Asia Aviation.

Chief Executive Officer may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of the Chief Executive Officer shall not provide Chief Executive Officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Asia Aviation or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the shareholders or the Board of Directors.



Remuneration Policy for Senior Management

The Company did not pay the monetary remuneration of the Management since Asia Aviation is holding company. Therefore, the policy on remuneration for Senior Management will be determined at Thai AirAsia as subsidiary and the core operating company.

Employees Information

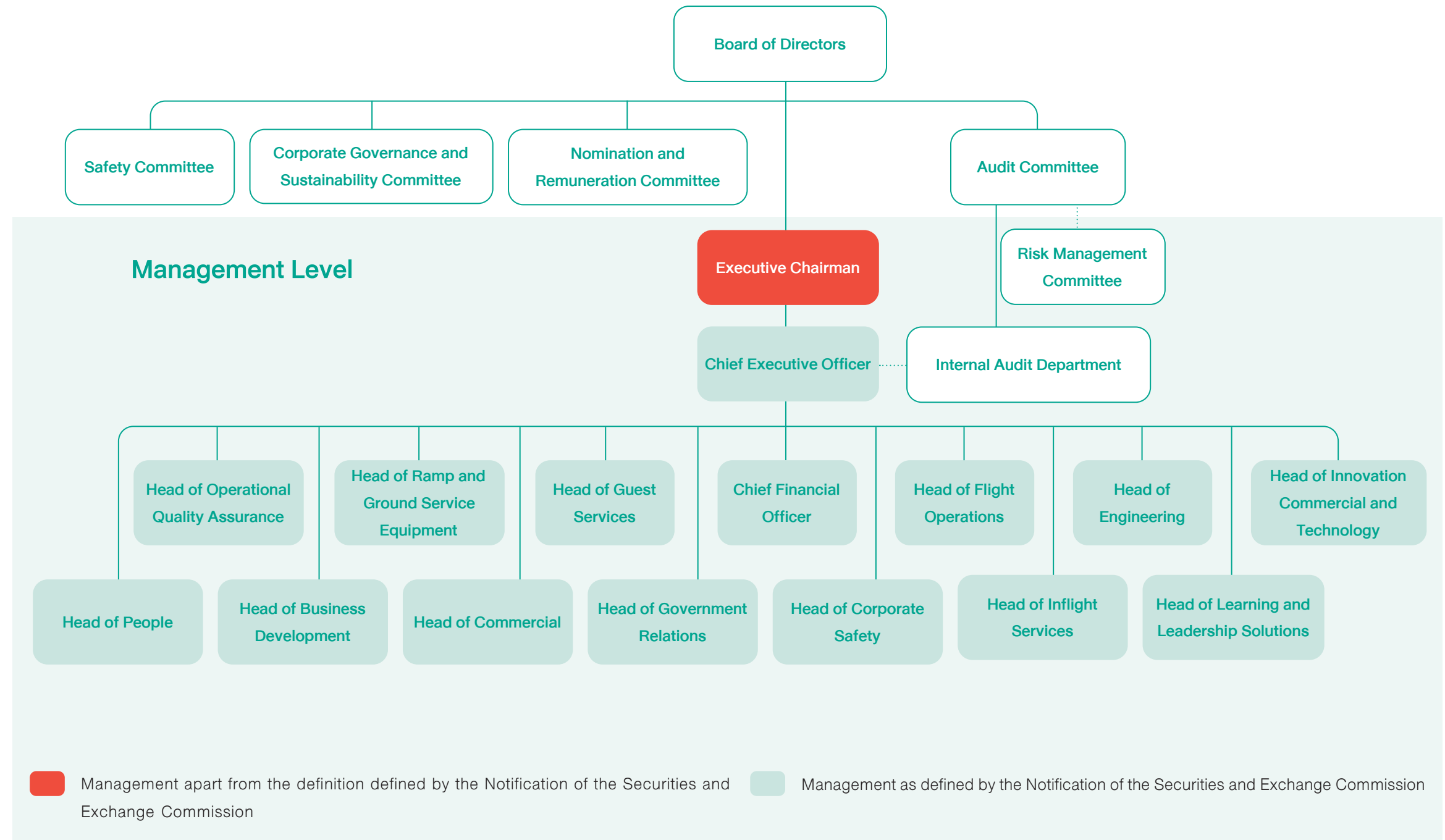
All Asia Aviation’s employees had been transferred to Thai AirAsia since 31 December 2011.

Overall Remuneration for Employees

Asia Aviation did not have remuneration for employees because all Asia Aviation’s employees had been transferred to Thai AirAsia since 31 December 2011.

Corporate Governance Structure of Thai AirAsia (the Company’s main business)

as of 31 December 2023



Information of the Board of Directors of Thai AirAsia

The Board of Directors

As of 31 December 2023, the Board of Directors of Thai AirAsia comprises 12 Directors nominated by Asia Aviation while 4 of them are Independent Directors equal to 1/3 (or 33 percent) of all Directors and 9 of them are Non-Executives Directors, equal to 75 percent of all Directors.

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of the Board/ Chairman of the Audit Committee / Independent Director
2. Mr. Veerayooth Bodharamik	Director/ Audit Committee/ Independent Director
3. Mr. Dinesh Nambiar	Director/ Audit Committee/ Independent Director
4. Mr. Sirot Setabandhu	Director/ Independent Director
5. Mr. Tassapon Bijleveld	Executive Director
6. Mr. Santisuk Klongchaiya	Executive Director
7. Mr. Phairat Pornpathananangoon	Executive Director
8. Mrs. Pattra Boosarawongse	Executive Director
9. Mr. Rozman Bin Omar	Executive Director
10. Dato' Mohamed Khadar Bin Merican	Non - Executive Director
11. Mr. Nuttawut Phowborom ⁽¹⁾	Non - Executive Director
12. Mr. Yuthapong Ma	Non - Executive Director

Note: ⁽¹⁾The Board of Directors' Meeting resolved to appoint a new director, Mr. Kulvat Janvatanavit, as a director, effective from 22 February 2024 onward, replacing Mr. Nuttawut Phowborom who resigned as a director on 22 February 2024.

Thai AirAsia's Company Secretary is Miss Nisres Distes.

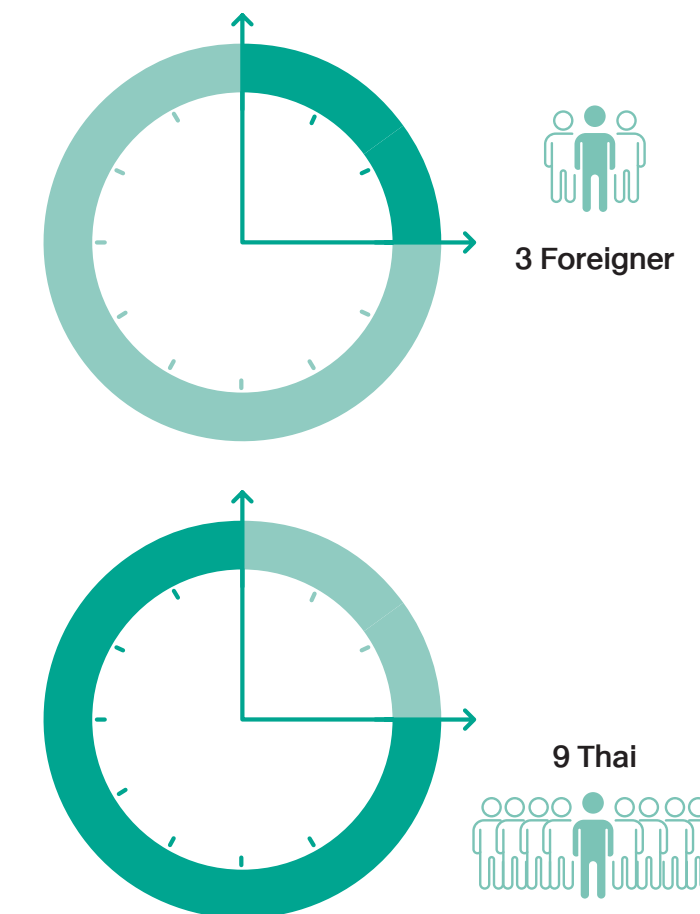
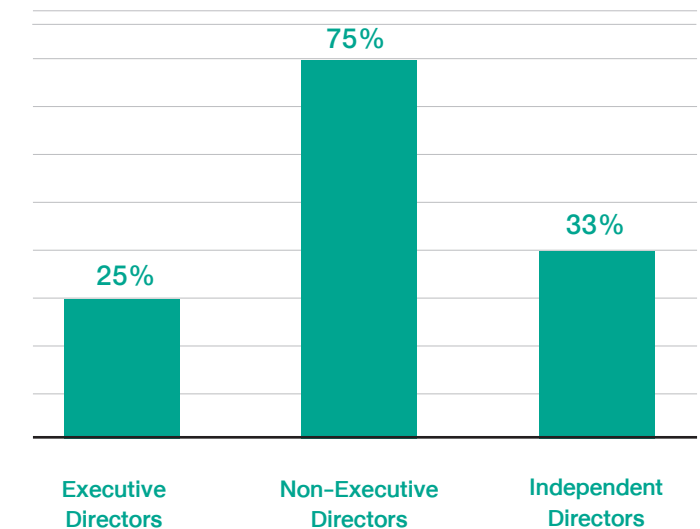
The Company disclosed Board of Directors Profiles as attachment on the Company's website at www.aavplc.com under title "Investor Relations", subtitle "Publications and Download"

Authorised Directors

"Mr. Tassapon Bijleveld jointly sign with Mr. Santisuk Klongchaiya or Mr. Phairat Pornpathananangoon, totaling two persons with an affixation of the Company seal, or Mr. Santisuk Klongchaiya and Mr. Phairat Pornpathananangoon jointly sign with Mrs. Pattra Boosarawongse or Mr. Rozman Bin Omar, totaling three persons, with an affixation of the Company seal."

Board Diversity Policy

Thai AirAsia realises the significance of recruiting, selecting and appointing qualified candidates as Thai AirAsia's Board of Directors and members of sub-committee by preparing a board skill matrix, which helps the recruiting process for Directors go in line with Thai AirAsia's business operation and both short-term and long-term strategies. Thai AirAsia puts into consideration knowledge, experience, specific capabilities beneficial to Thai AirAsia's business operation without discrimination of gender or race or any difference so that the Board is formed by qualified Directors for Thai AirAsia's maximal benefits. The details of Board Skill Matrix are as follows:





The Division of Duties and Responsibilities between the Board of Directors and Management

Thai AirAsia has clearly divided duties and responsibilities between the Board of Directors and Management. The Board of Directors sets out policies and administers the operation of the Management on the policy level, while the Management manages each area according to the policies and Authority Limit which has been approved by the Board of Directors and recorded as resolution passed in the Minutes of the Board of Director Meeting. Consequently, Chairman of the Board of Directors cannot be the same person as Executive Chairman, Chief Executive Officer nor Executive Director in order to balance and examine the Management.

Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors of Thai AirAsia as the leading organisation, creating value to the business sustainably, has the authorisation and responsibility to operate the business of Thai AirAsia in accordance with the law, objectives, Articles of Association and resolutions of Shareholders' Meeting in an honest and prudent manner in the best interests of Thai AirAsia and its shareholders. Scope of duties and responsibilities of Thai AirAsia's Board of Directors are as follows:

1. Announce dividend payments or other payments in the same nature as dividends to shareholders.
2. Propose any increase and/or decrease and/or other alteration to the registered capital and authorised capital by the Company or the issue of any new class of shares in the share capital of the Company or the issue of any securities or convertible instruments by the Company.
3. Propose any amendment in the Memorandum and/or Articles of Association of the Company.
4. To approve and to change or adjust the Company's business plans and/or budgets for any fiscal year.
5. To approve any business operation or legal transaction of over Baht 100,000,000 (One Hundred Million Thai Baht) in total, except cases that have already been specified in the Company's approved budgets.
6. Change the structure of the Company or the merger with or acquisition of other company, association, partnership, or any other legal entity.
7. Change the nature or scope of business of the Company at the time, which is not coherent or related to the scope of or the nature of business of the Company.
8. Appoint or dismiss Senior Management and to approve any contract concerning employment regulations or remuneration and benefits of Directors or senior human resources of the Company, or any amendment in the aforementioned matters.
9. The sale, transfer or disposal of any substantial part of business, assets or properties of the Company, including the issuance of any fixed or variable obligation or right of retention mortgage, guarantee, or any other obligation over the Company's assets or properties.
10. Any financial transaction of the Company, including any existing and future loan, debt or advance payment or other loan obligation (or debt or advance payment or any other loan obligation), or the Company entering into any guarantee contract which results in debt, with the total value of over Baht 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency, except cases that have already been specified in the Company's approved budgets.
11. Capital expenditure or capital obligation, or capital expenditure or successive capital debt obligation the total value of over Baht 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency in any fiscal year, except cases that have already been specified in the Company's approved budgets.
12. Change auditor, fiscal year, or significant accounting policies of the Company.
13. Enter into any hedging transaction to hedge against fluctuation of the Company's investment, assets or liabilities with the total value of over Baht 100,000,000 (One Hundred Million Thai Baht) or the equivalence in other currency, except cases that have already been specified in the Company's approved budgets.
14. Approve the Company's Authority Limit framework.



Duties and Responsibilities of Chairman of the Board of Directors

- The Chairman has an important part in making decisions for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the Management, and provides recommendations for business operation to the Management through the Chief Executive Officer without interfering in the daily duties of the Management. Chairman as the leader of the Board of Directors, oversees and monitors the performance of the Board of Directors and sub-committees and encourages all Directors to achieve the objectives as planned.
- To be a leader in the Board of Directors' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Article of Association of the Company. In addition, the Chairman encourages Directors to participate in Meetings, express their opinions equally and provide comments independently. Another key role of the Chairman is to summarise the resolutions of the Meeting and ensure that all proceedings will be done clearly.
- To be a leader in the Shareholders' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Article of Association of the Company. In addition, the Chairman shall allocate sufficient time and allow shareholders to express their opinions equally as well as answer inquiries of shareholders' appropriately and transparently.
- To support and be a good role model in compliance with corporate governance and business ethics.

Information of the Sub-Committees

The Board of Directors appointed 5 sets of sub-committees to support the efficiency and effectiveness of the operation of the Board of Directors. Each sub-committee shall perform the duties in accordance with the charter of duties and responsibilities specified clearly and approved by the Board of Directors whereas such sub-committee shall give suggestions in various fields in which they are specialised to the Board of Directors. Thus, the compositions of each sub-committee including duties and responsibility are as follows:

Audit Committee

Thai AirAsia's Audit Committee comprises 3 Independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand. As of 31 December 2023, Thai AirAsia's Audit Committee is as follows:

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of Audit Committee
2. Mr. Veerayooth Bodharamik	Audit Committee
3. Mr. Dinesh Nambiar	Audit Committee

Mr. Vichate Tantiwanich has sufficient knowledge and experience to review the reliability of the financial statements of the Company. The Secretary to the Company's Audit Committee is Miss. Orawan Phunamsarp.

Term of Positions

Members of the Audit Committee serve a term of three years and are eligible for reappointment at the end of the term.

Scope of Duties and Responsibilities of Audit Committee

Scope of Duties and Responsibilities of Audit Committee are the same as those of Asia Aviation (please see the details under the same section for Asia Aviation).

Nomination and Remuneration Committee

Thai AirAsia's Board of Directors has approved the appointment of the Nomination and Remuneration Committee, which comprises of 3 committee members as follows:

Name	Position
1. Mr. Nuttawut Phowborom ⁽¹⁾	Chairman of the Nomination and Remuneration Committee
2. Mr. Vichate Tantiwanich	Nomination and Remuneration Committee
3. Mr. Tassapon Bijleveld	Nomination and Remuneration Committee

Note: ⁽¹⁾The Board of Directors' Meeting acknowledged the resignation of Mr. Nuttawut Phowborom as Chairman of Nomination and Remuneration Committee and resolved to appoint Mr. Santisuk Klongchaiya as a new member of the Nomination and Remuneration Committee and assumed the role of Chairman of the Committee.

Terms of Positions for Nomination and Remuneration Committee

Members of the Nomination and Remuneration Committee serve a term of three years and are eligible for reappointment at the end of the term.

Scope of Authority and Responsibilities for Nomination

- To determine the structure, size, and composition of the Board of Directors and sub-committees to be suitable for the organisation and its changing environment.
- To determine guidelines and policies on nominating the Board of Directors and sub-committee members and consider qualified candidates to replace those who are vacating the office, then propose the matters for approval by Board of Directors and/or shareholders as the case may be.
- To nominate qualified candidates to become Senior Management in case of vacancy, and determine the succession plan for positions of Senior Management.
- To perform of other tasks as assigned by the Board of Directors.



Scope of Authority and Responsibilities for Remuneration

1. To determine criteria and the form of payment to the Board of Directors and sub-committees which are clear, appropriate and correspond to each person's responsibilities and his/her performance in relation with the business operation, and other relevant factors, while taking into consideration remunerations provided by other leading companies in the Stock Exchange and companies in the same or similar industry.
2. To set up the guidelines and assessment of the performances of the Company's Board of Directors, sub-committees and Chief Executive Officer to support the consideration to set up remuneration.
3. To determine appropriate remuneration for the Board of Directors and sub-committees for the Board of Directors' consideration and propose to the Shareholders' Meeting for approval.
4. To disclose the policy for the Board of Directors' remuneration, including its principles, reasons, and objectives in the Form 56-1 One Report .
5. To be responsible for other tasks as assigned by the Board of Directors.

Corporate Governance and Sustainability Committee

Board of Directors Thai AirAsia has resolved to appoint the Corporate Governance and Sustainability Committee as of 31 December 2023, consisting of 4 members, one of whom is an Independent Director, 3 Executive Directors, with an Independent Director as the Chairman of the Committee as follows:

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of Corporate Governance and Sustainability Committee
2. Mr. Tassapon Bijleveld	Corporate Governance and Sustainability Committee
3. Mr. Santisuk Klongchaiya	Corporate Governance and Sustainability Committee
4. Mr. Phairat Pornpathananangoon	Corporate Governance and Sustainability Committee

Term of Positions for Corporate Governance and Sustainability Committee

Members of the Corporate Governance and Sustainability Committee serve a term of three years and are eligible for reappointment at the end of the term.

Scope of Duties and Responsibilities of the Corporate Governance and Sustainability Committee

1. Decide and set policies, objectives, processes and budgets for sustainable development activities with consideration towards stakeholders.
2. Decide on activities relevant to sustainable development for submission to the Board of Directors for approval.
3. Decipher matters with an effect on the Company's materiality accounting for stakeholders and in the interest of sustainable development.
4. Monitor and inspect activities in accordance with sustainable development policies and strategies, providing consultation and support towards achieving objectives.
5. Report sustainable development operations to the Board of Directors, inspect and approve sustainable development reports for submission to the Board of Directors.

Risk Management Committee

Asia Aviation has realised and attached its importance on the risk management in order that the management of the Company and its subsidiary are efficient and effective and to ensure every group of stakeholders. However, since Asia Aviation operating the business by holding shares in Thai AirAsia which is the subsidiary operating major business for the Company, consequently the risk management is rested with Thai AirAsia and the Risk Management Committee of Thai AirAsia was set up with the following details:

The Risk Management Committee comprises of Executive Chairman, Chief Executive Officer and the Management from the major departments together with the Risk Management Unit to perform the risk management which may affect the operation as well as the risk from internal and external factors to keep it in proper balance level and acceptable by assessing and examining the result of the risk assessment from various departments including revising and presenting the planned policies related to the risk management annually. Thai AirAsia's Risk Management Committee is as follows:



Name	Position
1. Mr. Tassapon Bijleveld	Risk Management Committee Advisor
2. Mr. Santisuk Klongchaiya	Chairman of Risk Management Committee
3. Mr. Phairat Pornpathananagoon	Risk Management Committee
4. Sqn.Ldr. Damrong Phaspipatkul	Risk Management Committee
5. Mr. Bandit Pornsarote ⁽¹⁾	Risk Management Committee
6. Miss Tansita Akkrattiprom	Risk Management Committee

Note: ⁽¹⁾The Board of Directors' Meeting resolved to appoint Mr. Bandit Pornsarote as a member of Risk Management Committee, effective from 22 February 2024 onward.

Scope of Duties and Responsibilities of Risk Management Committee

- Define risk management policies to cover all risks from business operations. Along with drive and inculcate a risk culture throughout the organisation by raising awareness of the importance of risk management to all staff.
- Oversee, develop and monitor framework and procedures of risk management across the Company (including the identification, analysis, assessment, management, following up and reporting of risks) to all departments and business continuity management (covering risk assessment, business impact analysis, recovery strategy, business continuity plan and crisis management) to ensure effective continuance of business operations in the event of a disruptive incident.
- Review and recommend changes as needed to both of the Risk Management and Business Continuity Management, strategies, frameworks, policies and procedures prior to submission and presentation to Audit Committee for final discussion and to the Board for the approval.
- Consider changes to the risk profiles arising from any changes from the approved strategic business plans of the Company and report to the Audit Committee on any relevant matters deemed to be of importance.
- Oversee the reporting and monitoring of risks to ensure mitigation and action plans are addressed.
- Review quarterly Enterprise Risk Management and Business Continuity Management (BCM) reports (relating to the Company's enterprise risk profiles, progress of risk management activities, and the assessment of the Company's key risks and the status of the BCM programme and incident reports).

- Provide a risk management working group as necessary by supporting manpower budget and other necessary resources, including the availability of various systems related to be ensured which are adequate and consistent with the scope of responsibility for risk management in all matters.
- Ensure that adequate risk management training/ awareness sessions are in place to support the Company's employees in their understanding of risk management and fulfillment of risk management practices.
- Ensure that adequate Business Continuity Management training/ awareness sessions are in place to support all employees in their understanding of the BCM programme and familiarity of their respective roles and responsibilities in the event of a disruptive incident.
- Ensure that the Business Management Continuity programme and Crisis Management/ response plans are tested and audited periodically to manage crisis effectively and efficiently.

Safety Committee

Board of Directors Thai AirAsia has resolved to appoint the Safety Committee as of 12 May 2024, consisting of 9 members, one of whom is an Independent Director, 1 Executive Director, 6 Management members and 1 External Expert with an Independent Director serving as the Chairman of the Committee. Thai AirAsia's Safety Committee is as follows:

Name	Position
1. Mr. Sirot Setabandhu	Chairman of Safety Committee
2. Mr. Santisuk Klongchaiya	Safety Committee
3. Gp. Capt. Tanapat Ngamplang	Safety Committee
4. Mr. Phol Poompuang	Safety Committee
5. Flt. Lt. Banyat Hansakul	Safety Committee
6. Miss Witchunee Kuntapeng	Safety Committee
7. Mr. Chatupong Hongwiset	Safety Committee
8. Sqn. Ldr. Damrong Phaspipatkul	Safety Committee
9. Mr. Chalermrit Saisakulsri	Safety Committee

The Safety Committee Secretary is Mr. Phol Poompuang.

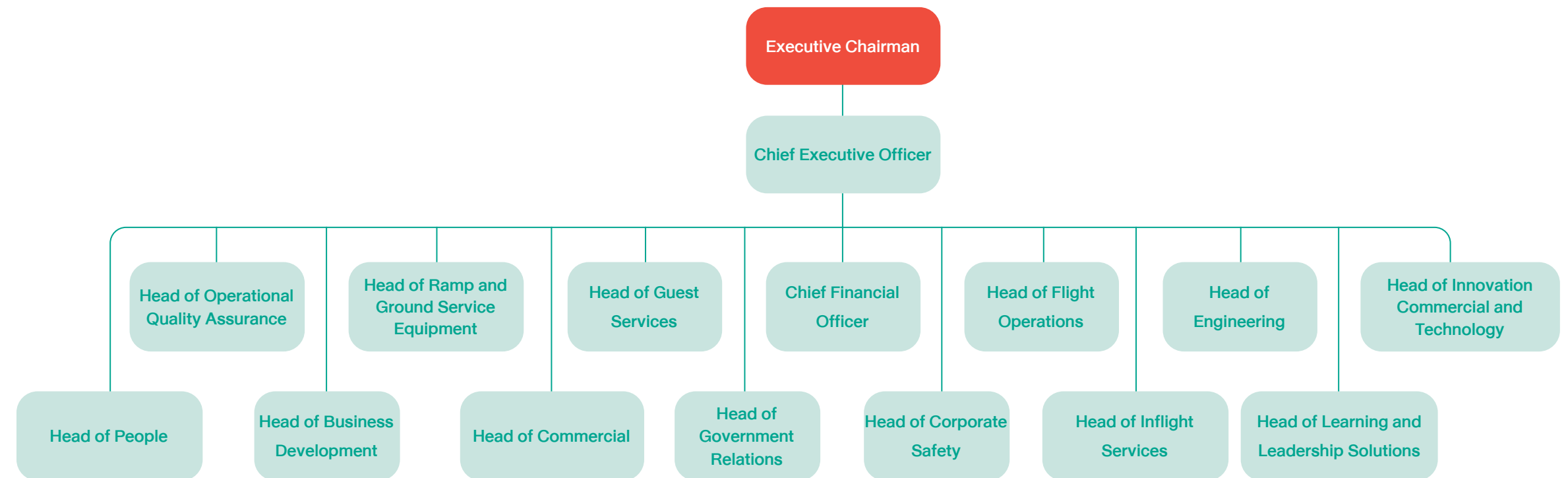


Scope of Duties and Responsibilities of the Safety Committee

1. To ensure that processes are in place to inculcate a culture of safety throughout the organisation, prioritising guests, employees, and third parties.
2. To review the Safety Policy and the Safety Management System to ensure that these are fit for purpose.
3. To define and review the organisation's safety performance goals and set safety performance indicators.
4. To review the organisation's safety performance indicators to ensure that these are adequately met and that the necessary corrective action is taken where improvements are required.
5. To monitor the effectiveness of the Safety Management System implementation plan.
6. To review activities that require the formal application of risk management techniques.
7. To monitor actions recommended by incident/accident investigations are adequately tracked and implemented by relevant parties.
8. To monitor the effectiveness of the organisation's safety management processes which support the declared corporate priority of safety management as another core business process.
9. To monitor the effectiveness of the safety supervision of subcontracted operations.
10. To ensure that appropriate resources are allocated to achieve safety performance beyond that required by regulatory compliance.
11. To provide strategic directions on safety to operational departments where applicable.
12. To review regulations, standards, and latest best practices.

Information of Management

Management Structure



■ Executive Chairman serves as Chairman of the Management and has responsibilities for administering business direction and business policy in overall, while Executive Chairman is not in charge of overseeing the business operation and/or day-to-day management of the Company.

■ Management, defined by the Notification of the Securities and Exchange Commission, means a Director, Manager or a person holding a Management-level-position of the first four ranking below the Manager, a person holding a position equivalent to the person holding a Management-level-position of the fourth ranking, including a person holding a Management-level-position in an accounting or finance department at the level of Manager of the department or higher or an equivalent position.

Management Team

As of 31 December 2023, the list of Thai AirAsia's Management is as follows:

Name	Position
1. Mr. Tassapon Bijleveld	Executive Chairman
2. Mr. Santisuk Klongchaiya	Chief Executive Officer
3. Mr. Phairat Pornpathananagoon	Chief Financial Officer
4. Miss Witchunee Kuntapeng	Head of Guest Service
5. Mr. Pipat Khunprakan	Head of Innovation Commercial and Technology
6. Miss On-anong Methapipatkul	Head of Inflight Services
7. Mr. Chatupong Hongwiset	Head of Ramp and Ground Service Equipment
8. Sqn.Ldr. Damrong Phaspipatkul	Head of Flight Operations
9. Mr. Krid Pattanasan	Head of Government Relations
10. Mr. Phol Poompuang	Head of Corporate Safety
11. Miss Topaz Subunruk	Head of Business Development
12. Mr. Chalermrit Saisakulsri	Head of Operational Quality Assurance
13. Vacharavadh Piyarattanamongkol EdD. ⁽¹⁾	Head of Learning and Leadership Solutions
14. Miss Tansita Akarittipiom ⁽¹⁾	Head of Commercial
15. Mrs. Thiladee Pantumchinda ⁽¹⁾⁽³⁾	Head of People
16. Mr. Bandit Pornsarote ⁽²⁾	Head of Engineering

Note: ⁽¹⁾The Board of Directors' Meeting resolved to appoint Vacharavadh Piyarattanamongkol EdD, as Head of Learning and Leadership Solutions, and Miss Tansita Akarittipiom, as Head of Commercial, effective from 12 May 2023. Additionally, the Board resolved to transfer Mrs. Thiladee Pantumchinda, Head of People from AirAsia SEA Limited (the company within AirAsia Group) to Thai AirAsia, effective from 12 May, 2023 onwards.

⁽²⁾The Board of Directors' Meeting resolved to appoint Mr. Bandit Pornsarote, as Head of Engineering, to replace Flt. Lt. Banyat Hansakul, effective from 13 November 2023.

⁽³⁾Mrs. Thiladee Pantumchinda has resigned from Head of People on 29 February 2024.

The Company disclosed Board of Directors Profiles as attachment on the Company's website at www.aavplc.com under title "Investment Relations", subtitle "Publications and Download"

Duties and Responsibilities of the Executive Chairman

The Executive Chairman serves as Chairman of the Management and has responsibilities for management and business policy planning as assigned by the Board of Directors as follows:

1. To administer the Company's overall direction, business policy as well as to determine and review management plans and strategic goals jointly with the Management to in line and correspondence with the economic and competitive conditions, and propose to the Company's Board of Directors for approval.
2. To monitor implementation of the policy, direction, strategies, plans and administration to make sure the Company efficiently and effectively meet with the goals set forth.
3. To map out an investment plan and assess business opportunities in new investment projects, and propose to the Company's Board of Directors for approval.

4. To have authorities, duties and responsibilities as assigned or in line with the policy given by the Company's Board of Directors.

The Executive Chairman may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of The Executive Chairman shall not provide Executive Chairman or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Thai AirAsia, unless such approval is in accordance with the policy and criteria approved by the shareholders or the Board of Directors.

Duties and Responsibilities of the Chief Executive Officer

1. Responsible for administering Thai AirAsia's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals, and budgets of Thai AirAsia as authorised by the Board of Directors of Thai AirAsia and/or resolutions of the Shareholders' Meeting.
2. Establish organisation structure and administrative procedures, including recruitment, training, dismissal, and remuneration, compensation, bonus and other benefits for employees.



3. Monitor and report situation and performance of Thai AirAsia and to propose alternatives and strategies in accordance to policies and market situation.
4. Manage and control all areas of operation for Thai AirAsia including finance, risk management, internal control, business operations and support functions, and resources.
5. Represent Thai AirAsia and be designated as authorised person in liaising with government agencies and other organisations.
6. Oversee communication activities with the public, shareholders, customers, and staff members in order to promote image and reputation of Thai AirAsia.
7. Authorise the establishment, amendment, and modification of the employment rules and regulations for Thai AirAsia such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits.
8. Consider, negotiate, and approve legal transactions, and/or business operation activities, and/or daily business administration of Thai AirAsia within the Authority Limits approved by the Board of Directors of Thai AirAsia.
9. To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Thai AirAsia.

Chief Executive Officer may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of Chief Executive Officer shall not provide Chief Executive Officer or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Thai AirAsia, unless such approval is in accordance with the policy and criteria approved by the Shareholders' Meeting or the Board of Directors.

Remuneration for Senior Management

The Company takes care of remuneration and benefits according to Performance-based Pay principles that are appropriate and fair to retain its personnel ready to grow with the Company in the long term. The Company is confident that preparing and taking care of fair remuneration and benefits will help retain the Company personnel in order to support the succession process for Management positions to be efficient and effective.

Thai AirAsia carries out its evaluation of the performance of the Chief Executive Officer and senior Management annually for supporting consideration of approving remuneration for each year by considering the results of business operations, its compliance with the assigned policies coupled with the overall economic and social situations including management

of remuneration to be competitive and able to retain knowledgeable and competent Senior Management to retain with and continuously create works for the Company.

Consideration and Comparison of Remuneration

Thai AirAsia has results of survey and comparison of remuneration in term of both industry and profession by taking into account for annual comparison in order to review the salary structure (Pay Scale) and the annual salary adjustment of the Company.

Process of Evaluating the Performance of Senior Management is as follows:

1. Goal Setting - setting a goal of work operation for the Senior Management to review performance in the past year or quarter, and planning activities targeted for the current year in conformity with the Company's policies and strategies, of which the performance index will consist of financial returns, work performance indicator, and quality indicator from external factors in the evaluation, divided into 3 categories, namely:
 - Company Wide goal
It is an indicator of the overall success of the organisation for which all Senior Management are responsible, for example, the growth rate of revenue and sales, EBITDA Margin ratio, Revenue per Available Seat Kilometer (RASK), Cost per Available Seat Kilometer (CASK), customer loyalty index (Customer NPS) including expenses, damages and budgets on passengers which may be incurred.

- Functional Goal
It is an indicator of the overall success of the department for which each Senior Management is responsible, including delivery of work, customer satisfaction, department income, load factor, on-time performance, aircraft utilisation rate per each aircraft, etc.
 - Individual Goals
It is an indicator of the success of individual Senior Management, such as leadership, organisational culture, special projects assigned and self-development, etc.
2. Quarterly review is a process where the Senior Management will consider reviewing the working results over every quarter to monitor the progress of the targeted working plan and summarise the annual performance to made into a score level, corresponding to the success of the performance indicators in various areas of each Senior Management who has set goals as mentioned above. The score level will be used to determine appropriate remuneration for both short-term and long-term one consisting of salary and bonus.



Structure of Remuneration for Senior Management

Monetary Remuneration

In 2023, Thai AirAsia paid the remuneration to Management at the total amount of Baht 105.22 million, equivalent to 3.03%, compared with the total remuneration of the Company whereas such remuneration was the remuneration in the form of salary, equivalent to 95.22%, compared with the total remuneration of Management.

Other Remuneration

The main objective to pay other remuneration is to build up security for the Management in the same way with every employee and to help the Management and employee face the health problem, disability or death by providing provident fund, health insurance and other welfare benefits as appropriate and conformable to the applicable law as follows:

Provident Fund

Thai AirAsia provided provident fund for the Management by the Company contributing at the rate of 7% and 10% of the salary while in 2023, Thai AirAsia contributed the provident fund for the Management in total Baht 5.03 million.

Health Insurance Plan

Thai AirAsia provided Health Insurance Plan and Group Life Insurance.

Information of Employees

The number of employees as of December 31, 2023 was 4,962 persons and could be categorised by responsibility as follows:

Responsibility	31 December 2023
Pilot, Co-Pilot and Student Pilot	602
Flight Attendant	1,162
Ground Operation	2,334
Engineer	519
Head Office	345
Total	4,962

Remuneration for Employees

For the year 2023, Total remuneration for Thai AirAsia's employees includes salary, bonuses, overtime, provident funds and other compensation was Baht 3,474.07 million.

Provident Fund

Thai AirAsia has set up a provident fund in accordance to the Provident Fund Act B.E. 2530 (and its amendments). Thai AirAsia contributes 3 - 10% of salaries to the provident fund and employees contribute 3 - 15% of their salaries.

Thai AirAsia has selected fund manager who complies with the good governance code for institutional investors (Investment Governance Code "I Code"), being the Manager who manages the Fund with responsibility in compliance

with the good investment governance excellently and has the investment guides leading to the utmost benefits for the members of the Fund which means the employees of the Company in the long term.

Numbers of employees participating in the provident fund



Proportion of the employees participating in comparison to all employees (%)



Other Important Information

Chief Accountant

The Board of Directors resolved to appoint Miss Nawaporn Kamnil to be responsible directly in supervision of accounting who has full qualifications according to the criteria of the Securities and Exchange Commission Thailand and registered for accounting in accordance with the Announcement of the Department of Business Development to perform the duty to prepare financial statement and consolidated financial statement of the Company accurately and reliable in regard to the accounting standard applicable to the public company limited and criteria specified in Section 56.

Company Secretary

The Board of Directors has resolved to appoint Miss Nisres Distes as Company Secretary since 25 February 2016 onwards, having duties and responsibilities as specified in the Securities Exchange Commission Act to perform the duty according to the law on providing documents and filing important documents of the Company. Additionally, she has the duties to give advice concerning regulations appropriate to be acknowledged by the Board of Directors and give advice in order to maintain interests of the Company, to help in other tasks and support work of the Board of Directors such as holding the Board of Directors' Meeting, Shareholders Meeting, Annual Report and keep the conflict of interest report for the Directors.

Internal Audit Manager

The Audit Committee has appointed Miss Orawan Phunamsarp to be in the position of Internal Audit Manager on 23 February 2023 because she has got experiences in Auditing work and Internal Control for over 20 years. Therefore, the Audit Committee found that Miss Orawan Phunamsarp is suitable for performing the duties in the position of Internal Audit Manager sufficiently whereas the consideration, appointment, removal and transfer of the person holding the position as Internal Audit Manager shall seek approval from the Audit Committee.



Compliance

- The Company appointed Mr. Chalermrit Saisakulsri to be in the position of Head of Operational Quality Assurance, having duties on overseeing the compliance to the rules and regulation set by the government authorities supervising the business operation of the Company.
- The Company appointed Miss Nisres Distes to be in the position of Compliance, having duties to supervise the Company's implementation according to the Securities and Exchange Act, rules and regulations and announcements of the authorities concerned.

The Company disclosed the qualification of the person holding the position as Chief Accountant, Internal Audit Manager and Compliance as the attachment to this report which appears on the Company's website: www.aavplc.com under the title "Investor Relations" and subtitle "Publications and Download".

Investor Relations

As for the activities to serve investors' demand, the Company has set up the Investor Relations Unit delegated to handle and communicate significant business information of the Company with interested parties which include Company's shareholders, investment analysts, general investors and other persons in the investment community. The Company has appointed Mr. Siraphop Paphattananan as Investor Relations Manager. The Investor Relations Unit can be reached via the following channels:

Investor Relations

Telephone: 02 562 5745-46

Fax: 02 562 5705

Email: taa_investorrelations@airasia.com

Website: www.aavplc.com

Asia Aviation discloses and communicates operational performance and other significant information of the Company to the investment analysts, investors, and internal staff on a regular basis at several events such as the results briefings, one-on-one or group meetings, roadshows, conference calls, and conferences organised by various entities. The Company also holds joint activities with the SET to meet with retail investors and holds a press conference to publicise such information of the Company and its subsidiaries. Also, any person in the investment community is provided with an ability to make an appointment with the Management or investor

relations officers via the IR Booking webpage at his or her convenience to inquire or discuss business-related issues during the Company's office hours. Investors' inquiries are also directly responded to via e-mail and phone calls on a regular basis.

Audit Fee

Asia Aviation and its subsidiary paid the audit fee to EY Office Limited, as external auditors for 2023. Nevertheless, EY Office Limited, do not have any relation or any conflict of interest with the Company, the Management, or the Major Shareholders, or anyone related to the aforementioned persons. The details of audit fee for the year 2023 are as follow;

Audit Fee

In 2023, Asia Aviation and its subsidiary paid the audit fee of Baht 5.30 million to the office of the Auditors, comprising Asia Aviation and subsidiary's audit fees of Baht 1.00 million and Baht 4.30 million, respectively. In addition, no other audit fee had been paid to the auditors or related parties to the auditors and the Auditors' office.

Non-Audit Fee

The Company and Subsidiary did not pay compensation for other services in 2023.

The engagements of the office of the Auditors and its related parties to provide the non-audit work were reported to the Audit Committee to ensure that it would not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the Auditors.





Reports and Results of Major Performance on the Corporate Governance



The Board of Directors is the representative of the shareholders who perform the duties of the leader, set up policies, direction, and strategy for the Company leading to the increasing competitiveness on the basis of the business operation according to the Principles of Good Corporate Governance as well as controlling the management effectively to create the sustainable value for the shareholders, set up organisational culture and value properly and put them into practice in every levels of the organisation while the Board of Directors shall use their own discretion to make business decision and practice reasonably that they are the utmost advantages to the Company and the shareholders including considering the advantages of every group of stakeholders as appropriate.

Summary of the Results of Performances of the Board of Directors in the year 2023

In the past year 2023 the Board of Directors understood the roles, duties and realised the responsibilities as the good leaders to govern the organisation to have good management by performing the duties according to the Principles of Good Corporate Governance for the listed Company, participated in and gave approval for setting up strategies, policies for operations as well as allocation of major resources to achieve the objectives and targets including following-up, assessing and supervising the operation regularly in the Meeting of Company's Board of Directors. It also created the value to the business sustainably in order to be competitive and with good performances, operated the business with morality, respected the right and is responsible for the shareholders as well as the stakeholders and considered the impact upon the public and environment and had policies and good planning to be adjustable under the unexpected changes.



Nomination, Development, Assessment of Performance of the Board of Directors

Nomination of Directors

The nomination and consideration of appointing the Director duly retired by rotation in the year 2023 of Asia Aviation had been operated through the process of recruitment of Nomination and Remuneration Committee. There are 4 directors who retired by rotation for the year 2023 namely Mr. Tassapon Bijleveld, Mr. Nuttawut Phowborom, Mr. Rozman Bin Omar and Dato' Mohamed Khadar Bin Merican. Nomination and screening will be considered from knowledge, abilities, experiences in various fields, suitable with the structure, size and composition of the Company's Board of Directors which will be beneficial to the operation of the Company as well as full qualification pursuant to the law and related regulations, the consideration of performances, continuity of management and participation in the operation of each Director as significant. The Directors under consideration for re-election have undergone performance assessments at appropriate levels and participated in performing their duties regularly. Moreover, the Company also opened chance for the minority shareholders to nominate a person with suitable qualifications to be nominated as such Director alternatively from 1 November 2022 to 31 January 2023. However, there was no shareholder nominating the Director to be appointed.



List of Directors duly retired by rotation in 2023

Qualifications

Mr. Tassapon Bijleveld (Executive Director)	Mr. Tassapon Bijleveld is qualified, knowledgeable, capable and has more than 19 years of experience in the aviation business and he is specialised in business management, marketing management, strategy planning, risk management and change management as well as plays a key role in supporting the business and provides advice on the administration of the Company's and its subsidiary's business operations.
Mr. Nuttawut Phowborom (Non - Executive Director)	Mr. Nuttawut Phowborom is qualified, knowledgeable, capable, experienced and specialised in business management, economic, finance and accounting as well as strategic management, who will help support business operation of the Company and its subsidiary.
Mr. Rozman Bin Omar (Non - Executive Director)	Mr. Rozman Bin Omar is qualified, knowledgeable, capable, and experienced in different fields, especially in accounting and finance, business management, strategic management and he has more than 18 years of experience in the aviation business. Based on his knowledge and capability, he will definitely help support business operation of the Company and its subsidiary.
Dato' Mohamed Khadar Bin Merican (Non - Executive Director)	Dato' Mohamed Khadar Bin Merican is qualified, knowledgeable, capable, and experienced in different fields, especially in accounting and finance, business management, and risk management and he has more than 6 years of experience in the aviation business, holding a position of Director in the AirAsia Group. He thus has knowledge and understanding of the business administration of the Company and its subsidiary.

According to the above-mentioned details, therefore the Nomination and Remuneration Committee presented the opinion to the Board of Directors to approve the 4 Directors who duly retired by rotation to be re-elected to assume the positions for another term. Then the list of such directors' names will be presented to the Shareholders Meeting to elect the Directors as per the criteria further.

For the resolution to re-elect the Directors to assume the positions through the Shareholders Meeting, it is specified that the majority votes come from the shareholders attending the Meeting and casting their votes. In this case when any

shareholder abstains, the vote of the one who abstains shall not be counted as the base of votes while the Company shall ask the shareholders to vote for the Director individually. The shareholders are requested to cast all votes they have to elect the nominated persons one by one then the Meeting has resolved to re-elect to be in the position of Directors for another term with the majority of votes of the shareholders attending the Meeting and cast their votes.

Additionally, there was no nomination or appointment of a new director in the year 2023, .

Nomination of Senior Management

In nominating the candidates for Senior Management members will initially screen by management with an appropriate and transparent process for the appropriate persons who meet the qualifications holding knowledge, capabilities, skills and experiences beneficial to the Company's operations. Those candidates must understand the Company's businesses well and can manage their functions to attain the goals and objectives set by the Board of Directors. The nomination process will be considered candidates from both internal and external of the Company. For the internal candidates will consider and recruit from the successor. Those successors will be assessed their potential and the ability to prepare for the replacement of those positions whereas there are resignations or retirement or other reasons. The list of candidates will be proposed to Nomination and Remuneration Committee for their consideration and presented to the Board of Directors for further approval.

In 2023, Thai AirAsia has recruited and appointed three Senior Management namely Vacharavadh Piyarattanamongkol EdD., Head of Learning and Leadership Solutions, Miss Tansita Akarittipirom, Head of Commercial, and Mr.Bandit Pornsarote, Head of Engineering.

List of newly appointed Management

Qualifications

Vacharavadh Piyarattanamongkol EdD. (Head of Learning and Leadership Solutions)	He is knowledgeable, efficient and experienced in creating strategies for learning and developing the potentiality of the leaders of organisation to be in line with the business requirements and promote knowledge and abilities for employees including supporting and developing the abilities to serve the business operation efficiently. Additionally, he is the leader of Training Center in which the lifetime learning culture is inhibited and leadership training for the personnel in the organisation.
Miss Tansita Akarittipirom (Head of Commercial)	She possesses extensive expertise in marketing and sales, with over 10 years of experience, demonstrating proficiency in marketing strategy, planning, and management. Furthermore, her tenure within the organisation has provided her with in-depth knowledge and understanding of the organization's marketing operations.
Mr.Bandit Pornsarote (Head of Engineering)	He is knowledgeable, efficient and experienced in engineering. He was in the position of Head of Operational Quality Assurance. In this role, he acquired leadership skills, analytical abilities, and provided consultation to the engineering team and related management divisions. His contributions have led to the successful execution of engineering tasks across diverse circumstances.



Knowledge Development for the Directors and Management

The Board of Directors of Asia Aviation promoted and facilitated the training and knowledge development for the Directors and Management of the Company including subsidiary to enable them to perform the duties and govern business operation of the Company and its subsidiary efficiently as well as improved the performance continually by supporting the Directors and Management to attend the seminars, courses useful for performing the duties including the course arranged by the Government's Supervisory Agency or Independent Organisation such as the Directors' Course of Thai Institute of Directors which the Securities and Exchange Commission Thailand has specified that the Board of Directors of listed companies shall pass at least one Course namely; Directors Certification Program (DCP), Directors Accreditation Program (DAP) and Audit Committee Program (ACP) etc. as well as the courses related to the knowledge and abilities development and increase the potentiality to perform the duties.

For the year 2023, the Directors and Management had participated in the training to develop knowledge as follows:

1. Hot Issue for Director: Climate Governance Course organised by The Stock Exchange of Thailand and Thai Institute of Directors
2. Governance System for Fraud Detection organised by Thai Listed Companies Association
3. Recurrent SMS&ERP for Accountable Executive/Manager and CMT (E-learning) organised by Safety Department of Thai AirAsia

4. Just Culture Training for the Head of Departments organised by Safety Department of Thai AirAsia
5. Certificate of Capital Market Academy Executive Education Batch 33/2023 (CMA33) organised by The Stock Exchange of Thailand

The Performance Assessment of the Board of Directors

Asia Aviation and its subsidiary have the performance assessment of the Board of Directors and sub-committees once a year by dividing into the performance assessment of the Board of Directors as a whole and the self-assessment of the Directors on an individual basis, to be used as the framework in examining the performance of the Board of Directors and sub-committees. For the purpose of improving the performance of the Board of Directors to correspond with specified policies.

The performance assessment of the Board of Directors and sub-committees covers main areas as follows:

1. Structure and qualifications of the Board of Directors
2. Roles, duties and responsibilities of the Board of Directors
3. Board of Directors' Meeting
4. Performance of the Directors
5. Relationship with the Management
6. Self-improvement of the Directors and the Management development

In 2023, the performance assessment of the Board of Directors and sub-committees of Asia Aviation detail as follows:

the Board of Directors / Sub-committees	Self-Assessment as a whole (%)	Self-Assessment on an individual basis (%)
Board of Directors	96	97
Audit Committee	97	98
Nomination and Remuneration Committee	85	94

The performance assessment of the Board of Directors and sub-committees of Thai AirAsia detail as follows:

the Board of Directors / Sub-committees	Self-Assessment as a whole (%)	Self-Assessment on an individual basis (%)
Board of Directors	96	98
Audit Committee	95	99
Nomination and Remuneration Committee	91	95
Corporate Governance and Sustainability Committee	97	98
Risk Management Committee	91	92

As such, the Nomination and Remuneration Committee is responsible for reviewing performance assessment to be accurate, complete and comply with good corporate governance. Also the Committee has considered the results of the Director self-assessment in the past year as a reasonable criteria for the consideration of the remuneration of Directors. The Company Secretary summarises the results of the assessment and reports them to the Nomination and Remuneration Committee. Subsequently, the Committee proposes to the Board of Directors to further improve operational efficiency in more effective manner.



The Performance Assessment of Chief Executive Officer

Consequently, Asia Aviation operates its business by holding shares in Thai AirAsia which is its subsidiary that operates the core business for the Company, therefore, The performance assessment of Chief Executive Officer has been established for Thai AirAsia.

The Board of Directors and the Nomination and Remuneration Committee of Thai AirAsia has arranged for an annual performance assessment for the Chief Executive Officer, main areas as follows:

Section 1	Progress of plan with specified goals and milestone for each goal
Section 2	Performance assessment <ul style="list-style-type: none"> Leadership Strategic setting Strategic practice Financial planning and results Relationship with the Board of Directors External relationship Management and relationship with employee Position succession Knowledge of products and services Personal characteristics
Section 3	Self-improvement

Meeting Attendance and Remuneration for the Board of Directors Individually

Board of Directors Meeting

The Articles of Association of Asia Aviation specified that the Board of Directors shall hold a Meeting at least once every three months and may be additional special Meeting as necessary and specified that the Directors attending the Meeting shall consist of at least half of the total numbers of Directors to form a quorum whereas the Board of Directors shall set the Meeting date for the whole year in advance and notify each Director to acknowledge it and distribute the letter of invitation for the Meeting to the Directors to consider before the Meeting date not less than 5 business days unless it is necessary or urgent to preserve the rights or benefits of Asia Aviation. In every Meeting, the agenda shall be set up precisely during which the Chairman of the Board discussed with the Chief Executive Officer and the Company Secretary to approve the agenda of the Meeting while the other Directors can propose the agenda or other related issues for consideration including the complete and sufficient documents supporting the Meeting by distributing them to the Board of Directors in advance to study the information sufficiently before attending the Meeting. While in the Board of Directors, Asia Aviation Meeting, every Director can discuss and express the opinion openly. Furthermore, in Asia Aviation Board of Directors Meeting, Senior Management shall be invited to attend the Meeting in order to provide more details as the direct persons concerned.

Asia Aviation is committed to provide the Board of Directors with adequate, complete continuous and timely information prior to the Board of Directors' Meeting. The Directors can directly and independently contact the Company Secretary. The Company Secretary is responsible for advising the Board of Directors of Asia Aviation on the compliance with legal and regulatory requirements.

The Board of Directors has also specified that Non-Executive Directors can organise meetings as deemed appropriate without the attendance of any Executive Director or Management,

in order to create an opportunity for discussion on business challenges of the Company or other topics of interest.

Attendance of the Board of Directors' Meeting

Every Director of Asia Aviation has placed great importance on, and dedicated the time to attend the Board of Directors' Meeting, sub-committees Meeting and the Annual General Meeting of Shareholders with the details of attending the Meeting of each Director in 2023 as follows:

Name	Annual General Meeting of Shareholders 2023	The Meeting		
		Board of Directors	Audit Committee	Nomination and Remuneration Committee
1. Mr. Vichate Tantiwanich	Join	4/4	4/4	2/2
2. Mr. Veerayooth Bodharamik	Join	4/4	4/4	2/2
3. Mr. Dinesh Nambiar	Join	4/4	4/4	
4. Mr. Sirot Setabandhu	Join	4/4		
5. Mr. Tassapon Bijleveld	Join	4/4		
6. Mr. Santisuk Klongchaiya	Join	4/4		
7. Mr. Phairat Pornpathananangoon	Join	4/4		
8. Mrs. Pattra Boosarawongse	Join	4/4		
9. Mr. Rozman Bin Omar	Join	4/4		
10. Dato' Mohamed Khadar Bin Merican	Join	4/4		
11. Mr. Nuttawut Phowborom	Join	4/4		2/2
12. Mr. Yuthapong Ma	Join	3/4		



In 2023, the proportion of attending the Board of Directors' Meeting individually for 11 directors was equal to 100% of the total numbers of the Meetings and 1 director having proportion of attending the Meeting was equal to 75% of the total numbers of the Meetings.

The details of attending the Meeting of each Director of Thai AirAsia in 2023 are as follows:

Name	The Meeting					
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainability Committee	Risk Management Committee	Safety Committee
1. Mr. Vichate Tantiwanich	4/4	4/4	3/3	1/1		
2. Mr. Veerayooth Bodharamik	4/4	4/4				
3. Mr. Dinesh Nambiar	4/4	4/4				
4. Mr. Sirot Setabandhu	4/4					2/2
5. Mr. Tassapon Bijleveld	4/4		3/3	0/1	0/1	
6. Mr. Santisuk Klongchaiya	4/4			1/1	1/1	2/2
7. Mr. Phairat Pornpathananangoon	4/4			1/1	1/1	
8. Mrs. Pattra Boosarawongse	4/4					
9. Mr. Rozman Bin Omar	4/4					
10. Dato' Mohamed Khadar Bin Merican	4/4					
11. Mr. Nuttawut Phowborom	4/4		3/3			
12. Mr. Yuthapong Ma	3/4					

Whereas in 2023, the proportion of attendance of 11 directors individually represented 100% of the total numbers of meetings and 1 director at the proportion of 75% of the total numbers of the meetings.

Remuneration for Directors of Asia Aviation

Monetary Remuneration

In 2023, Monetary remunerations of the 6 individual directors who are not Executive Directors are the total of Baht 11.36 million. The remunerations include salary and meeting allowance as follows:

Name	Director's Remuneration (Baht)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
Mr. Vichate Tantiwanich (Chairman of the Board/ Chairman of the Audit Committee/ Nomination and Remuneration Committee)	1,600,000	1,200,000	80,000	2,880,000
Mr. Veerayooth Bhodharamik (Director/ Audit Committee/ Nomination and Remuneration Committee)	1,280,000	960,000	80,000	2,320,000
Mr. Dinesh Nambiar (Director and Audit Committee)	1,280,000	960,000		2,240,000
Mr. Nuttawut Phowborom (Non-Executive Director and Chairman of Nomination and Remuneration Committee)	1,280,000		80,000	1,360,000
Mr. Sirot Setabandhu (Independent Director)	1,280,000			1,280,000
Dato' Mohamed Khadar Bin Merican (Non-Executive Director)	1,280,000			1,280,000

Other Remunerations

Ticket Benefits

Each Director of Asia Aviation (and his/her family members, meaning spouse and legitimate children) is entitled to one free round-trip ticket for any destination per month, in total twelve tickets in one year with term and condition of the Company's Policy. The Directors are entitled to the said benefit only while they are serving their office terms as the Directors of Asia Aviation. In 2023, the Directors and family members had spent ticket benefits totaling 32 tickets.



Remuneration for Directors of Thai AirAsia

Monetary Remuneration

In 2023, Monetary remunerations of the 6 individual directors who are not Executive Directors are the total of Baht 3.40 million.

The remunerations include meeting allowance as follows:

Name	Director's Remuneration (Baht)					Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainability Committee	Safety Committee	
Mr. Vichate Tantiwanich (Chairman of the Board/ Chairman of the Audit Committee /Chairman of Corporate Governance and Sustainability Committee /Nomination and Remuneration Committee)	400,000	400,000	120,000	40,000		960,000
Mr. Veerayooth Bhodharamik (Director and Audit Committee)	320,000	320,000				640,000
Mr. Dinesh Nambiar (Director and Audit Committee)	320,000	320,000				640,000
Mr. Nuttawut Phowborom (Non-Executive Director and Chairman of Nomination and Remuneration Committee)	320,000		120,000			440,000
Mr. Sirot Setabandhu (Independent Director / Chairman of Safety Committee)	320,000				80,000	400,000
Dato' Mohamed Khadar Bin Merican (Non-Executive Director)	320,000					320,000

Changes in Shares Held by Board of Directors and Management in 2023

Name	Position	Number of Shares on 11 March 2024	Number of Shares on 30 December 2022	Increase (Decrease) in the Number of Shares	Share holding (%)
1. Mr. Vichate Tantiwanich	Chairman of the Board/ Chairman of the Audit Committee	-	-	-	-
Spouse and minor child		-	-	-	-
2. Mr. Veerayooth Bhodharamik	Director/ Audit Committee	-	-	-	-
Spouse and minor child		-	-	-	-
3. Mr. Dinesh Nambiar	Director/ Audit Committee	-	-	-	-
Spouse and minor child		-	-	-	-
4. Mr. Sirot Setabandhu	Independent Director	-	-	-	-
Spouse and minor child		-	-	-	-
5. Mr. Tassapon Bijleveld	Director / Executive Chairman	2,291,955,686	2,312,088,286	(20,132,600)	17.8362
Spouse and minor child		-	-	-	-
6. Mr. Santisuk Klongchaiya	Director/ Chief Executive Officer	6,041,214	6,041,214	-	0.0470
Spouse and minor child		-	-	-	-
7. Mr. Phairat Pornpathananangoon	Director/ Chief Financial Officer	234,706	234,706	-	0.0018
Spouse and minor child		-	-	-	-
8. Mrs. Pattra Boosarawongse	Director	375,531	375,531	-	0.0029
Spouse and minor child		-	-	-	-
9. Mr. Rozman Bin Omar	Director	-	-	-	-
Spouse and minor child		-	-	-	-



Name	Position	Number of Shares on 11 March 2024	Number of Shares on 30 December 2022	Increase (Decrease) in the Number of Shares	Share holding (%)
10. Dato' Mohamed Khadar Bin Merican	Director	-	-	-	-
Spouse and minor child	-	-	-	-	-
11. Mr. Nuttawut Phowborom	Director	-	-	-	-
Spouse and minor child	-	-	-	-	-
12. Mr. Yuthapong Ma	Director	-	-	-	-
Spouse and minor child	-	-	-	-	-

Supervision of the Subsidiary and the Associated Company

In 2023 Asia Aviation has considered appointing 12 Directors and 3 Management to be Directors and Management in Thai AirAsia, a subsidiary and the Company operating core business by appointing Directors to be representatives in the subsidiary in proportion to the shares held by the Company. The said Directors and Management have been approved by the Board of Directors' Meeting while the persons appointed to be the Directors of the subsidiary have to operate for the utmost benefits of the subsidiary and manage the business of the subsidiary in accordance with the policies approved by the Company and the rules as well as regulations specified in the Article of Association of the Company and the related laws of the subsidiary.

Moreover, the Company set up the policies for its subsidiary to comply with the rules related to the regulatory agencies such as, doing related party transaction, acquisition and disposal of assets, information disclosure sufficiently and in timely

manner including accounting and accurate financial reports as appropriate under the laws concerned and accounting standard acceptable in general and auditing by the Internal Control Unit to ensure that the specified internal control is sufficient and efficient.

While in the Board of Director Meeting, the Company shall regulate to have the report of the situation as well as problems and obstruction of the projects implemented by the subsidiary regularly by revealing the information of business operation which may have conflict of interest, reports of related party transaction including the acquisition and disposal of assets and/or the significant transaction concerning the business operation of its subsidiary which may affect the Company to the Company completely and accurately and in timely manner in order that the Company's Board of Directors acknowledge it and can give the opinion or suggestion in time.

Monitoring the Compliance of Policies and Practices of Corporate Governance

Asia Aviation has placed importance on good corporate governance by setting up policies and practices concerned in the Company's Policy of Corporate Governance and Code of Conduct as well as developing and promoting the actual practice to create sustainable value and ensuring confidence to every group of stakeholders.

In the past years, the Company has determined to review such policies for updating and corresponding to the environment of corporate governance of the Company and its subsidiary and to follow up implementation in compliance with good corporate governance covering the issues on 1) Occupational Safety, Occupational Health and Working Environment 2) Risk Management Measures 3) the Sustainable Development Policy and The Environmental Policy 4) Protection of Personal Information and the follow-up result indicated that the Company had completely followed the guidelines in line with each issue.

Additionally, the Company followed up to ensure the implement of good corporate governance in 4 more issues as follows:

Prevention of Conflict of Interest

The Company and its subsidiary set up policies for the Board of Directors, Management and employees to perform duties for the utmost benefits of the Company in case that any person is the stakeholder or concerned with the list of consideration, such person shall notify People Department which is responsible for such issue to acknowledge it and shall not participate in the consideration including having no power to approve that business transaction while in the past year round the results of following up the compliance with the policies of Prevention of Conflict of Interest are as follows:

1. There was none of any Director holding the position as the Director or Executive member of the same business or any business related with the Company or subsidiary which may cause conflict of interest.
2. In the year 2023, there was no report of interest from employees who operated business operation related to the Company and its subsidiary.

In the year 2023, the Company did not find any actions that violated conflict of interest policy by Directors, Management and employees of the Company and its subsidiary.



The Use of Inside Information

The Company and its subsidiary have taken care of using the inside information to comply with the law and Principles of Good Corporate Governance by specifying in writing in the Code of Conduct which will be conferred to the Directors, the Management and the employees as well as signing for acknowledgement and abiding by it to perform their duties. While the Directors, the Management and the employees who have an access of the essential inside information affecting the change in the price of securities should avoid trading the securities of Asia Aviation (AAV) in one month period before the financial report or the inside information was disclosed to public and during 24 hours after the said inside information was accessible to the public. The persons concerning the inside information shall not reveal such information to the others until that information was notified to the Stock Exchange of Thailand. The Company Secretary is responsible for notifying the Directors in advance of the period prohibiting trading of securities of the Company via email.

In addition, Directors, Management and employees of Asia Aviation and its subsidiary shall not use any inside information they receive from their positions, that can affect price of stocks 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 stocks or securities (if any) of Asia Aviation directly or indirectly, which may cause any damage to Asia Aviation directly or indirectly, for their own interests or for others, nor shall they disclose the said information to others for compensations or nothing.

Disciplinary punishment shall be imposed on the offender, as prescribed in the staff regulations of Asia Aviation and its subsidiary. Punishment, appropriately determined on a case to case basis, includes verbal warning, written warning, probation, or dismissal.

In the year 2023, It has not been found that Directors and Management traded securities during the prohibiting trading period either there was no report and violation of using the inside information to seek benefits by the Directors, Management and employees of the Company and its subsidiary.

Anti-Corruption Policy

The Company and its subsidiary set up policies and procedures for Anti-Corruption whereas the Board of Directors assigned the Audit Committee to supervise the internal control system and the Management whose duty is to build awareness and communicate with every employee to perform their duty in good faith. In the past year, the execution for Anti-Corruption and the action after detecting the corruption was summarised as follows:

The Execution for Anti-Corruption

1. Every employee shall be trained and tested on the knowledge and understanding of the policies on Anti-Bribery and Anti-Corruption.
2. Hold an orientation for new employee and send e-mail to communicate with the employee concerning the risk of emerging corruption including the guidelines to protect such as No gift during festivals, guides to use the welfare benefit of the employees as well as the rights to use air ticket benefits while emphasising the employees every year during the time when the Company opens for the employees to add the nominees and dependants name.

The Action when the Corruption was found

In the year 2023, a case of corruption was discovered in which staff was found selling air ticket benefits for personal profit. This case was reported through whistleblowing and the details can be found under the title "Whistleblowing".





Whistleblowing

The stakeholders can inquire for information, complain, or report any unlawful violation, the inaccuracy of financial reports or internal control system, and the breach of business ethics of the Company and its subsidiary directly to the Independent Directors or the Audit Committee at taa_auditcommittee@airasia.com and thaiwhistleblower@airasia.com by having the Audit Committee who is independent from the Management to consider and the Internal Audit Unit to conduct screening of the whistleblowing and such claims.

Last year, there was one case of the whistleblowing and claim in total regarding legal offense as per the following details:

Issue	Result of Inspection	Action and Solution
Staff sold air tickets at a special price using their staff benefits to the individual outside the Company. Subsequently, when Covid-19 occurred, resulting in flight cancellations, these individuals requested ticket refunds but did not receive them. Consequently, the affected party notified the Company through the whistleblower channel for further investigation.	Staff committed the misconduct as the complaint and was already dismissed.	<p>People department contacted the individual outside the Company to request for more information and called the staff for interrogation. During the interrogation, it was discovered that in addition to the staff member who was initially complained about, another staff member had also provided their entitlement to special ticket prices to the aforementioned individual. Furthermore, tickets obtained through this entitlement were also sold to individuals outside the Company.</p> <p>Consequently, the staff confessed to the act of misconduct and both staff were dismissed immediately after the investigation.</p>

The Performance of the Audit Committee in 2023

Audit Committees' Meeting

The followings are the details of attendance of the Audit Committee's Meeting in 2023 of Asia Aviation:

Name	No. of Attendance/ Total Meeting
1. Mr. Vichate Tantiwanich	4/4
2. Mr. Veerayooth Bodharamik	4/4
3. Mr. Dinesh Nambiar	4/4

The followings are the details of attendance of the Audit Committee's Meeting in 2023 of Thai AirAsia:

Name	No. of Attendance/ Total Meeting
1. Mr. Vichate Tantiwanich	4/4
2. Mr. Veerayooth Bodharamik	4/4
3. Mr. Dinesh Nambiar	4/4

Performance Result of the Audit Committee

The Audit Committee has performed their duties responsibly and completely as stipulated in the Audit Committee Charter approved by the Company's Board of Directors, as well as in accordance to the Notification of the Stock Exchange of Thailand as follows:

1. Reviewed the important information of the quarterly and annual financial statements for 2023 together with the auditors and the Management of Accounting and Finance Department by examining the important issues and received the explanation from the auditor and the Management of Accounting and Finance Department until it was assured that the financial statement was prepared in accordance with the legal regulations and standard of financial report and was correct, complete, reliable, thereby such financial statement was endorsed as the Auditor had reviewed and audited.
2. The Audit Committee reviewed the sufficiency of the internal control system by considering the internal control plan and report on internal auditing's result according to the approved plan which conformed to the result of the assessment of the auditor who reported that significant weakness were not found and no special remarks concerning the financial report and internal control. This includes consideration of the result of assessment of the internal control system of the Management under the guiding framework of the Internal Control of The Committee of Sponsoring Organizations of the Treadway



Commission (COSO 2013) by using the internal control assessment checklist of the Securities and Exchange Commission Thailand before presenting it to the Board of Directors of the Company in order to assess the sufficiency of the internal control system of the Company for the accounting year 2023 and revealed the result of such the internal control system in Form 56-1 One Report whereas the Audit Committee gave the opinion that the internal control system of the Company was suitable and efficient enough for operating the business and current situation of the Company and its subsidiary while no essential issues affecting the achievement or targets of the Company were found.

3. The Audit Committee supervised the internal auditing work to ensure that implementation of internal auditing was independent and effective by giving approval and approved the audit plan for 2023 provided by the major risk of the Company. It also considered the sufficiency of the personnel and considered the result of auditing and followed up the performance and progress of corrective process in regard to the report on the result of the auditing of the major issues regularly in every quarter. This also supported the quality development of internal audit by encouraging the personnel in the Internal Audit Department to undergo training in various courses to increase knowledge and skill to perform the duty with better efficiency including reviewing complaints or whistleblowing regarding legal offense, accuracy of financial reports, defective internal control system or violation of the company's business ethics and subsidiaries. There is an internal audit unit responsible for screening whistleblowing and complaints.

4. The Audit Committee has reviewed the Risk Management System of Thai AirAsia to ensure that the Company has the process of assessment and risk management which is proper and efficient whereas the Company has Risk Management Committee to deal with setting policies and targets of Risk Management in the whole organisation, providing the efficient risk management system and followed up the major risk management in every aspect of the Company at the acceptable level while the representative of Risk Management Unit presented report of the progress to the Audit Committee on the risk management as to whether it complies with the policy and plan specified once per quarter.

5. The Audit Committee supervised the disclosure of sufficient and correct information including supporting the Company to have a good governance system, good management to be transparent and ethical, building up confidence to the shareholders, investors, employees and every stakeholder concerned.

6. Revised the Charter of the Audit Committee to ensure that the performance of the Audit Committee is efficient and updated.

7. Reviewed and approved the Internal Audit Charter to ensure that the scopes, roles and responsibilities have been defined properly.

8. Reviewed and gave opinion to the related party transactions or the transactions which may have conflict of interest. The Audit Committee has reviewed the related party transactions to comply with the rules and regulations of the Stock Exchange of Thailand on the disclosure of information and practice of the listed Company regarding the related party transactions in 2003. The Audit Committee had an opinion that the related party transactions were operated in conformity with the general commercial conditions without conflict of interest, being justifiable, reasonable and complying with the regulation completely specified by the Stock Exchange of Thailand while the unusual transaction was not found and the disclosure of information was complete and sufficient.

9. Considered the appointment and remuneration of the auditors based on the business knowledge, experiences, appropriateness of the remuneration and the independence of the auditors. In the accounting year-end of 31 December 2023, the Audit Committee recruited and nominated Mrs. Kunlapee Piyawannasuth C.P.A. Registration No. 6137 and/or Miss Manee Rattanabunnakit C.P.A. Registration No. 5313 and/or Miss Kosum Cha-em C.P.A. Registration No. 6011 to be the external auditors of the Company and the subsidiary while in the past accounting year, the auditors had performed their work with knowledge and professional abilities and provided suggestions concerning the internal control system and various risks as well as independence of working performance for which the remuneration proposed is appropriate. In addition, in 2023 there was a meeting with the auditor without the management attending the meeting 1 time.

10. The Audit Committee has reviewed and supervised the Company and its subsidiary to comply with the regulations, policies and business operation which was in conformity with the Securities and Exchange Act as specified by the Stock Exchange of Thailand and the Securities and Exchange Commission as well as laws concerning with business operation of the Company, and did not find any indication to believe that there was any deficiency concerning the non-conformity and/or violation of the rules, regulations and related laws.

The summary of overall in 2023, the Audit Committee has performed the duties specified in the Charter of the Audit Committee by following up the performance of the Company with sufficient independence and gave the opinion that the Company provided financial report in the major issues accurately by providing it in accordance with the standard of accounting generally accepted, disclosing information sufficiently, completely, and reliably. And when entering into the related party transactions or other particulars which may cause conflict of interest, the Company supervised the said transaction with transparency for the utmost benefit for the Company and the shareholders, abiding by the law, and regulations of the Stock Exchange of Thailand strictly and complying with the laws, rules and regulations concerning business operation completely. The Company also provided the internal control system, internal audit and risk management sufficiently and properly and operation in conformity with the good corporate governance system sufficiently, transparently and reliably.



Performance Result of Other Sub-Committees

Asia Aviation and the subsidiary have 5 sub-committees to follow up and supervise the operations and report to the Board of Directors regularly, comprising the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Governance and Sustainability Committee and Safety Committee. The complete performances of duty by each sub-committees can be summarised as follows:

Risk Management Committee

The Risk Management Committee of Thai AirAsia held one meeting in the past year. In addition, the Risk Management Department has informed the progress of the performance to the Risk Management Committee to acknowledge via email every quarter with the following summary of materialised agenda:

- The Committee reviewed and approved the revised risk management policy to be presented to the Audit Committee and Board of Directors for further approval.
- The Committee deliberated and approved amendments to the Risk Management Committee Charter, to be presented for Board of Director for approval.
- The Committee agreed to propose the appointment of new members to replace those who have retired.
- The Committee was briefed on and provided feedback on the risk profile and risk management measures compiled and summarised by the Risk Management Department. They also provided additional guidance and suggested approaches for risk management.
- The Committee reviewed and commented on other operational results of the Risk Management Department.

The performance of the Risk Management Committee over the past year have met targets and proven beneficial to the Company.

Nomination and Remuneration Committee

In the past year, the Nomination and Remuneration Committee of Asia Aviation held 2 meetings and Thai AirAsia held 3 meetings in total respectively to consider and provide the opinion of the suitability in nominating and appointing Directors and Senior Management including determining the remuneration for the Company's Board of Directors and sub-committees with the following details:

- Considered giving opinion on the appointment of Directors to replace the Directors duly retired by rotation in the year 2023.
- Considered giving opinion on the renewal for the term of the audit committee.
- Considered giving opinion on the remuneration of Directors and sub-committees for the year 2023.
- Considered giving opinion on the assessment of the performances of the Company's Directors, sub-committees and Chief Executive Officer in the year 2023.
- Considered giving opinion on the appointment of Head of Learning and Leadership Solutions, Head of Commercial and Head of Engineering including considered giving opinion on transfer of Head of People Department from AirAsia SEA Co., Ltd. (the company within AirAsia Group) to Thai AirAsia.
- Considered giving opinion on the establishment of Safety Committee.

Corporate Governance and Sustainability Committee

In the past year, Corporate Governance and Sustainability Committee held 1 meeting in total to consider and review the policies and targets of the operation of sustainable development including specifying the Key Materiality which affected the business operation of the Company to take care of the stakeholders properly as well as following up and examining the operation according to the policies and strategies of sustainable development to comply with the targets of the operation set forth whereas the performance of Corporate Governance and Sustainability Committee in the last year with the following details.

- Considered and reviewed the policies, strategies, and goals on sustainability.
- Considered and reviewed the policies on the environment.
- Considered and approved the Key Materiality.
- Considered giving opinion on disclosing the report of sustainability and corporate governance in the Form 56-1 One Report.
- Followed up the performances of the Key Materiality and the society investment activities.
- Reported the performance of the sustainability development to the Board of Directors Meeting.
- Considered and reviewed the policies, strategies, and goals on climate change.
- Followed up on the sustainability goals.

Safety Committee

The Safety Committee of Thai AirAsia held 2 meetings to review the Safety Policies, supervise the implementation of the Safety Management System, and ensure efficiency and sufficiency. Additionally, the committee set target and Key Performance Index and conducted follow-ups and performance testing in order to achieve the established safety targets. Whereas in the past year, the performance of the Safety Committee were as follows:

- The Committee considered and approved of the Charter of the Safety Committee to present to the Board of Directors for consideration and approval.
- The Committee considered and approved of the Safety Policy and Safety Management System.
- The Committee acknowledged and gave their opinions for the Safety report, promotion of safety cultures in the organisation such as encourage the employees to participate in the event report or concerns related to safety and measures of safety management as well as giving advices and propose additional guidelines whereas the committee presented to the Board of Directors for approval.
- The Committee considered nominating members of Safety Committee.
- The Committee considered the inspection process and risk assessment to identify potential issues and associated risks that could escalate to accidents or severe accidents.
- The Committee considered the assessment process and inspected the performance to evaluate the result from KPI and efficiency of the safety policies.



Internal Control and Related Party Transactions



Internal Control and Internal Audit

Sufficiency and Suitability of the Internal Control System

Asia Aviation has always prioritised internal control system and emphasising sufficiency and appropriateness of internal control in order for the operation of Asia Aviation to go according to the objectives, Article of Association, and applicable rules and regulations, as well as the internal audit and the check and balance system to effectively protect and look after the capital and investment of shareholders and Asia Aviation and its subsidiary's properties. Asia Aviation and its subsidiary have stipulated levels of authority and responsibilities of Management and employees and operating regulations in writing. The Internal Audit Department has its duty to audit that the performance of all departments in the Company is accurate and in line with the regulations. The Audit Committee shall monitor the administration and operation of the Internal Audit Department in order for Asia Aviation to achieve an effective internal control and reliable financial reporting system. The Internal Audit Department shall directly submit the audit report to the Audit Committee for revision and evaluation of the internal control system of Asia Aviation and its subsidiary.

The Opinion of the Company's Board of Directors Concerning Internal Control System

In the Board of Directors' Meeting No.1/2024 on 22 February 2024 during which the 3 members of the Audit Committee attended the Meeting, the Company's Board of Directors assessed the Internal Control System of the Company and subsidiary by questioning the information from the Head of Internal Audit Unit and approval of the Assessment Form prepared by the Internal Audit Unit, together with the Management including the report from the Audit Committee and summarised that with the assessment of the Internal Control System of the Company and its subsidiary in 5 compositions namely: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities, the Board of Directors considered that the Internal Control System of the Company and its subsidiary is sufficient and appropriate whereby the Company and subsidiary provided enough personnel to perform the duty according to the system efficiently including the Internal Control System of the Company and subsidiary with following-up the supervision of the subsidiary to be able to protect the properties of the Company and its subsidiary from being misused by the Directors or Management or without authorisation including entering into the transactions with persons who may cause the conflict and the related persons properly and sufficiently. For the Internal Control in other issues, the Company's Board of Directors considered that it is also sufficient and the Audit Committee has no different opinion from the Company's Board of Directors.

In addition, the performance of the Internal Audit Unit in 2023 over the auditing of various internal departments of the Company, no significant weakness was found in the Internal Control System which affects the operation of the Company and the subsidiary as well as the Auditor of the Company. The auditor of EY Office Limited, who is the External Auditor of the quarterly Company's Financial Statement and in the year 2023 gave the opinion in the auditor's report that the Company's Financial Statement presents fairly, in all material respects, accordance with Thai Financial Reporting Standards.

Head of Internal Control

In the Audit Committees' Meeting No.1/2023 on 23 February 2023 has approved the appointment of Miss Orawan Phunamsarp who is Senior Internal Audit Manager to be in the position of Head of the Internal Audit and the Secretary of the Audit Committee because she has got experiences in Internal Audit, Compliance and Operational Risks for over 20 years and attending the courses concerning the operation in internal audit such as Training of Internal Audit Modernization and PDPA for Internal Auditor etc.

Therefore, the Audit Committee had the opinion that Miss Orawan Phunamsarp is suitable for performing the duties in the position of Head of Internal Audit and Secretary to the Audit Committee sufficiently whereas the consideration, appointment, performance appraisal, removal, transfer and termination of the person holding the position as Head of Internal Audit shall seek approval from the Audit Committee.

The Company disclosed the qualification of the person holding the position as Internal Audit Manager as the attachment to this report which appears on the Company's website: www.aavplc.com under the title "Investor Relations" and sub-title "Publications and Download".



Related Party Transactions

In the years ended 31 December 2023 and 2022, AAV and TAA have engaged certain transactions with persons who may have conflicts of interest as follows:

Person who may have conflicts of interest	Relationship
1) AirAsia Berhad (AAB)	AAB is a direct subsidiary of Capital A which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
2) PT Indonesia AirAsia (IAA)	IAA is an indirect of Capital A in which Capital A holds indirect 47% equity interest and operates low cost airlines business in Indonesia.
3) Philippines AirAsia, Inc. (PAA)	PAA is an indirect of Capital A in which Capital A holds indirect 40% equity interest and operates low cost airlines business in Philippines.
4) AirAsia (Cambodia) Company Limited (CAM)	CAM is an indirect of Capital A in which Capital A holds indirect 51% equity interest and operates low cost airlines business in Cambodia.
5) AirAsia (Guangzhou) Aviation Service Limited (AGZ)	AGZ is an indirect subsidiary of Capital A which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
6) AirAsia X Berhad (AAX)	AAX is an affiliate of Capital A in which Capital A holds direct 13% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
7) Thai AirAsia X Company Limited (TAX)	TAX has two directors who also serve as directors in TAA: Mr. Tassapon Bijleveld and Mrs. Pattra Boosarawongse. Additionally, Mr. Tassapon Bijleveld who is Director, Executive Chairman and Major Shareholder of TAA, holds indirect 49% of total shares in TAX . Furthermore, TAX is an associate of AAX in which AAX holds direct 49% equity interest and AAX operates low cost airlines business for long-haul flight in Thailand.
8) Capital A Berhad (Capital A)	Capital A is the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
9) AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited) (AAAGL)	AAAGL is a direct subsidiary of Capital A in which Capital A holds 100% equity interest. AAAGL is also the indirect major shareholder in TAA
10) Tune Insurance Malaysia Berhad (TIMB)	Tune Protect Group Berhad has a director who is also a director in TAA; Dato' Mohamed Khadar Bin Merican. TIMB is a subsidiary of Tune Protect Group Berhad in which Tune Protect Group Berhad holds direct 83% equity interest. Mr. Anthony Francis Fernandes and Datuk Kamarudin Bin Meranun being the indirect major shareholder of both TAA and TIMB.
11) Tune Talk Sdn Bhd (TTSB)	TTSB is 25% owned by Tune Group Sdn. Bhd., which is jointly owned by Tan Sri Dr. Anthony Fernandes and Dato' Kamarudin Bin Meranun, both of whom are indirect major shareholders in TAA and TIMB.



Person who may have conflicts of interest

Relationship

12) Tune Talk (Thailand) Limited	Tune Group Sdn. Bhd. is an indirect shareholder in Tune Talk (Thailand) Limited through Tune Talk International Sdn. Bhd. (Malaysia) which holds 48% equity interest in Tune Talk (Thailand) Limited.
13) Tune Insurance Plc. (TIPLC)	TIPLC has directors who is also Director and Management in TAA ; Mr. Tassapon Bijleveld and Mr. Phairat Pornpathananagoon. In addition, Mr. Tassapon Bijleveld hold 11% and Tune Protect Group Berhad hold 49% equity interest in TIPLC.
14) Great Fortune Broker Company Limited (GFB)	GFB is broker for Tune Insurance Plc.
15) AirAsia SEA Limited (IHQ)	IHQ is a direct subsidiary of Capital A in which Capital A holds 100% equity interest. Capital A is also the indirect major shareholder in TAA. IHQ has two directors who are also directors in TAA; Mr. Rozman Bin Omar and Mrs.Pattra Boosarawongse.
16) AirAsia SEA Sdn Bhd (AASEA)	AASEA is a direct subsidiary of Capital A in which Capital A holds indirect 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
17) AirAsia Aviation Management Services Sdn, Bhd. (AAAMS)	AAAMS is an indirect of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
18) BIGLIFE Sdn Bhd (formerly known as : Big Loyalty Sdn Bhd) (BLMY)	BLMY is an indirect subsidiary of Capital A which Capital A holds 96% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
19) AirAsia (Mauritius) Limited (AAM)	AAM is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
20) Asia Aviation Capital Pte. Ltd. (AAC)	AAC is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
21) AirAsia Com Travel Sdn Bhd (ACT)	ACT is an indirect subsidiary of Capital A which Capital A holds 96% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
22) AirAsia Com Travel (Thailand) Limited (ACTTH)	ACTTH is an indirect subsidiary of Capital A which Capital A holds 96% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
23) AirAsia Com (Vietnam) Company Limited (ACTVN)	ACTVN is an indirect subsidiary of Capital A in which Capital A holds 96% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
24) AirAsia Superapp (Thailand) Company Limited (formerly known as : Velox Technology (Thailand) Company Limited) (ASTH)	ASTH is an indirect subsidiary of Capital A in which Capital A holds 96% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)



Person who may have conflicts of interest

Relationship

25) Teleport Everywhere Pte. Ltd. (TLPSG)	TLPSG is an direct subsidiary of Capital A in which Capital A holds 92% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
26) Teleport Everywhere Pte. Ltd. (TH Branch) (TLPSG (TH branch))	TLPSG (TH branch) is an direct subsidiary of Capital A in which Capital A holds 92% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
27) Teleport (Thailand) Company Limited (TLPTH)	TLPTH is an associate of Capital A in which Capital A holds indirect 45% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
28) Teleport Hong Kong Company Limited (TLPHK)	TLPHK is an indirect subsidiary of Capital A in which Capital A holds 92% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
29) Teleport Commerce (Thailand) Company Limited (TLPCO)	TLPCO is an associate of Capital A in which Capital A holds 45% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
30) Santan Restaurant Sdn Bhd (STR)	STR is a direct subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
31) Asia Digital Engineering Sdn Bhd (ADE)	ADE is a direct subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
32) Move Digital Sdn. Bhd. (formerly known as :AirAsia Digital Sdn. Bhd.) (AAD)	AAD is a direct subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
33) AirAsia Technology Centre Singapore Pte. Ltd. (ATS)	ATS is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
34) AirAsia Duty Free Sdn. Bhd. (AADF)	AADF is an indirect subsidiary of Capital A in which Capital A holds 96% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)
35) Wealth Ventures Company Limited (Wealth Ventures)	Wealth Ventures is the Company which major shareholder (78% of Wealth Ventures' shares) is Mr. Tassapon Bijleveld who is Director, Executive Chairman and indirect major shareholder of TAA.
36) AirAsia Ride Pte. Ltd. (AAR)	AAR is an indirect subsidiary of Capital A in which Capital A holds 96% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (formerly known as AirAsia Aviation Limited)



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales	
		2023	2022		
1. Passenger revenue received on behalf of members within Capital A					
(1) AAB	Passenger revenue received on behalf of members within Capital A is only occurred when payment is made in foreign currency through the bank's payment gateway which includes internet purchase and counter sales.			TAA shares ticket reservation and booking system within Capital A in order to provide customers with convenience in booking ticket across the Capital A network on the website sales counter and sales agents. Passenger revenue received on behalf is a result due to the limitation of bank's payment gateway in transferring passenger revenue to the owner of such revenue within Capital A when payment is made in foreign currency.	
(2) AAX					
(3) ACT					
(4) IAA		1.1 Revenue that AAB received on behalf of TAA	19,321,584,601		6,018,092,677
(5) PAA		Receivable from receipts on behalf - AAB	8,688,670,030		3,078,684,859
(6) TAX					
	1.2 Revenue that IAA received on behalf of TAA	233,144,632	109,719,260	Pricing: Reimbursed on actual receipts on behalf of. Payment term: within 30 days Transaction in the future: Passenger revenue received on behalf will be an ongoing transaction in the future as it is a normal course of business with general commercial term under the approval in principle by Board of Directors and Audit Committee.	
	Receivable from receipts on behalf - IAA	13,479,199	19,230,495		
	1.3 Revenue that TAX received on behalf of TAA	91,322,377	135,906,593		
	Receivable from receipts on behalf - TAX	312,911,633	231,630,895		
	1.4 Revenue that PAA received on behalf of TAA	44,682,963	13,615,489		
	Receivable from receipts on behalf - PAA	15,752,514	3,619,505		
	1.5 Revenue that ACT received on behalf of TAA	63,471,259	282,789,082		
	Receivable from receipts on behalf - ACT	47,027,898	50,687,827		
	1.6 Revenue that TAA received on behalf of AAB	1,837,318,376	774,354,316		
	Payable from receipts on behalf - AAB	610,940,220	146,872,092		



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
1.7	Revenue that TAA received on behalf of IAA	473,255,510	260,980,312	
	Payable from receipts on behalf – IAA	58,300,312	62,856,477	
1.8	Revenue that TAA received on behalf of AAX	697,506,626	20,407,891	
	Payable from receipts on behalf - AAX	405,315,962	7,833,888	
1.9	Revenue that TAA received on behalf of TAX	1,158,913,881	499,777,567	
	Payable from receipts on behalf - TAX	554,380,620	381,179,221	
1.10	Revenue that TAA received on behalf of PAA	450,015,307	160,910,858	
	Payable from receipts on behalf - PAA	122,895,870	6,380,565	
1.11	Revenue that TAA received on behalf of ACT	51,408,986	293,139,639	
	Payable from receipts on behalf - ACT	-	41,512,027	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
2. Advance payment on behalf of members within Capital A				
(1) AAAGL	Advance payment on behalf within Capital A includes airport charges of airport terminal, ramp and apron areas, passenger service charges, air navigation charges, check-in counters, aerobridge, customs, immigrations and quarantine as well as marketing expenses, training expenses and ICT expenses.			To enhance operational efficiency and management on services which can be shared within Capital A, the advance payment will be made by the party who initiated the route and entered into contract with that particular airport, as well as for marketing and promotional expenses in relation to common routes, training and ICT expenses. The party who entered into contract with the third party will make advance payment on behalf of the Group before making reimbursement based on actual expense.
(2) AAAMS				
(3) AAB				
(4) AAC				
(5) AADF				
(6) AAR	2.1 TAA makes advance payment on behalf of AAB	233,269,578	75,284,277	Pricing: Reimbursement based on actual advance payment or in portion according to the agreed allocation.
(7) AASEA	Receivable on advance payment - AAB	235,042,272	76,994,297	
(8) AAV				Payment term: within 30 days
(9) AAX	2.2 TAA makes advance payment on behalf of IAA	13,716,338	2,863,614	Transaction in the future: Advance payment on behalf will be an ongoing transaction in the future as it is a normal course of business with normal commercial term under the approval in principle by Board of Directors and Audit Committee.
(10) ACT	Receivable on advance payment - IAA	1,983,664	998,090	
(11) ACTTH				
(12) ACTVN	2.3 TAA makes advance payment on behalf of TAX	86,620,115	14,229,039	
(13) ADE	Receivable on advance payment - TAX	176,041,467	326,689,356	
(14) AGZ				
(15) ASTH	2.4 TAA makes advance payment on behalf of PAA	91,247,217	1,762,897	
(16) CAM	Receivable on advance payment - PAA	86,821,538	1,648,448	
(17) Capital A				
(18) GFB	2.5 TAA makes advance payment on behalf of TTSB	-	292,462	
(19) IAA	Receivable on advance payment - TTSB	-	292,630	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
(20) IHQ	2.6 TAA makes advance payment on behalf of GFB	-	-	
(21) PAA	Receivable on advance payment - GFB	48,209	48,209	
(22) STR				
(23) TAX	2.7 TAA makes advance payment on behalf of IHQ	3,284,103	17,067,661	
(24) TIPLC	Receivable on advance payment - IHQ	2,067,879	23,808,087	
(25) TLPCO				
(26) TLPHK	2.8 TAA makes advance payment on behalf of AGZ	1,679,264	523,657	
(27) TLPSG	Receivable on advance payment - AGZ	3,442,888	2,612,096	
(28) TLPSG (TH branch)				
(29) TLPTH	2.9 TAA makes advance payment on behalf of Capital A	7,364,869	2,995,468	
(30) TTSB	Receivable on advance payment - Capital A	3,068,972	183,220	
	2.10 TAA makes advance payment on behalf of TIPLC	434,302	-	
	Receivable on advance payment - TIPLC	-	2,244,833	
	2.11 TAA makes advance payment on behalf of ACT	3,991,824	3,484,154	
	Receivable on advance payment - ACT	1,732,191	298,309	
	2.12 TAA makes advance payment on behalf of ACTTH	1,971,219	14,418,766	
	Receivable on advance payment - ACTTH	2,581,495	674,460	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
2.13	TAA makes advance payment on behalf of AAC	45,024	-	
	Receivable on advance payment - AAC	-	10,431	
2.14	TAA makes advance payment on behalf of TLPTH	1,382,566	117,619	
	Receivable on advance payment - TLPTH	383,249	59,777	
2.15	TAA makes advance payment on behalf of TLPSG	7,497,326	4,346,735	
	Receivable on advance payment - TLPSG	105,080	1,283,532	
2.16	TAA makes advance payment on behalf of TLPSG (TH branch)	166,445,916	23,779,935	
	Receivable on advance payment - TLPSG (TH branch)	56,875,614	10,840,596	
2.17	TAA makes advance payment on behalf of AASEA	565,661	1,859,284	
	Receivable on advance payment - AASEA	217,805	203,290	
2.18	TAA makes advance payment on behalf of STR	1,430,982	1,756,015	
	Receivable on advance payment - STR	767,894	2,293,588	
2.19	TAA makes advance payment on behalf of ASTH	7,363,867	360,800	
	Receivable on advance payment - ASTH	8,320,611	1,266,563	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
2.20	TAA makes advance payment on behalf of TLPCO	-	80,267	
	Receivable on advance payment - TLPCO	-	-	
2.21	TAA makes advance payment on behalf of AAAGL	503,526	158,865	
	Receivable on advance payment - AAAGL	-	157,873	
2.22	TAA makes advance payment on behalf of ACTVN	41,879	361,310	
	Receivable on advance payment - ACTVN	-	46,518	
2.23	TAA makes advance payment on behalf of AAAMS	3,274,085	-	
	Receivable on advance payment - AAAMS	2,971,165	-	
2.24	TAA makes advance payment on behalf of AADF	23,900	-	
	Receivable on advance payment - AADF	-	-	
2.25	TAA makes advance payment on behalf of TLPHK	4,556,453	-	
	Receivable on advance payment - TLPHK	683,661	-	
2.26	TAA makes advance payment on behalf of AAR	6,537	-	
	Receivable on advance payment - AAR	-	-	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
2.27	TAA makes advance payment on behalf of CAM	3,402,198	-	
	Receivable on advance payment - CAM	697,171	-	
2.28	AAB makes advance payment on behalf of TAA	313,517,532	247,916,752	
	Payable on advance payment - AAB	32,317,099	-	
2.29	IAA makes advance payment on behalf of TAA	59,159,375	31,131,174	
	Payable on advance payment - IAA	6,110,000	18,812,679	
2.30	AAX makes advance payment on behalf of TAA	3,505,159	15,364	
	Payable on advance payment - AAX	3,514,707	-	
2.31	TAX makes advance payment on behalf of TAA	3,793,207	4,241,600	
	Payable on advance payment - TAX	5,182,931	1,698,418	
2.32	PAA makes advance payment on behalf of TAA	156,972	-	
	Payable on advance payment - PAA	-	-	
2.33	ACT makes advance payment on behalf of TAA	77,163,398	26,648,719	
	Payable on advance payment - ACT	8,296,200	4,328,951	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
2.34	AASEA makes advance payment on behalf of TAA	39,286,151	20,213,630	
	Payable on advance payment - AASEA	44,884,540	39,893,222	
2.35	Capital A makes advance payment on behalf of TAA	-	2,068,623	
	Payable on advance payment - Capital A	-	84,639,296	
2.36	TLPTH makes advance payment on behalf of TAA	1,830,992	14,370,519	
	Payable on advance payment - TLPTH	806,982	35,085	
2.37	TLPSG makes advance payment on behalf of TAA	3,037,541	298,963	
	Payable on advance payment - TLPSG	-	121,462	
2.38	TLPSG (TH branch) makes advance payment on behalf of TAA	1,221,361	1,593,654	
	Payable on advance payment - TLPSG (TH branch)	247,594	330,369	
2.39	ADE makes advance payment on behalf of TAA	31,367,078	4,388,497	
	Payable on advance payment - ADE	2,102,434	52,239	
2.40	TLPCO makes advance payment on behalf of TAA	-	18,632	
	Payable on advance payment - TLPCO	-	-	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
2.41	IHQ makes advance payment on behalf of TAA	35,165,814	16,069,427	
	Payable on advance payment - IHQ	390,897	4,484,218	
2.42	AAV makes advance payment on behalf of TAA	504,612	-	
	Payable on advance payment - AAV	504,612	-	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
3. Aircraft and aircraft engine rental				
(1) AAM	TAA leases its aircraft and aircraft engine (operating lease) from AAM of 9 aircrafts as of 31 December 2023			TAA has leased its aircraft and aircraft engine from AAM for business operation. Capital A has a pooling purchase for higher bargaining power with manufacture.
	3.1 Aircraft and aircraft engine rental - AAM	856,952,240	1,578,243,429	Lease rate: Lease rate is quoted in US Dollar term for a monthly payment with contract period of 12 years and comparable to industry average rate.
	Aircraft and aircraft engine rental payable - AAM	114,582,450	1,067,141,472	Payment term: within 30 days
	Other non-current asset - Aircraft and aircraft engine rental deposit	162,032,048	195,435,092	Transaction in the future: Aircraft and aircraft engine rental will be an ongoing transaction until the expiration of lease agreement on each aircraft as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee. In addition, TAA will continue the pooling purchase order together with Capital A.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Bant)		Rationales
		2023	2022	
4. Aircraft maintenance				
(1) AAM	TAA pays aircraft repair and maintenance cost to AAM, the lessor, and AAB for the D check or major overhaul as specified under the aircraft lease agreement.			The operating lease agreement between TAA and AAM required for TAA to have repair and maintenance on leased aircraft as well as has set conditions before delivery, in which the leased aircraft must be fully repaired upon the contract expiration as this a normal terms under aircraft lease agreement.
(2) AAB				
	4.1 Aircraft maintenance - AAM	238,249,692	246,051,554	Maintenance rate: Maintenance rate is quoted per flight hour / cycle in USD term for a monthly payment and comparable to industry average rate Payment term: within 30 days
	Aircraft maintenance payable - AAM	365,704,446	299,158,806	
	Aircraft maintenance claim receivable - AAM	903,138,798	1,066,512,164	
	4.2 Aircraft maintenance - AAB	1,748,110,290	848,196,280	Transaction in the future: Aircraft maintenance will be an ongoing transaction until the expiration of lease agreement and maintenance agreement on each aircraft as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Aircraft maintenance payable - AAB	2,469,248,582	891,458,661	
	Aircraft maintenance reserves- AAB	1,763,622,098	2,687,676,439	
5. Booking Fee				
(1) AAB	TAA pays online air ticket booking system fee (booking fee) to AAB.			TAA shares the same booking system with others in Capital A. AAB has entered into a contract, on behalf of the Capital A, with Navitaire, an independent air ticket sales and management system provider, and will charge the booking fee from TAA based on the actual usage at the rate charged by Navitaire. Booking fee rate: Booking fee is charged at a fixed rate per passenger on a monthly basis; the rate shall not exceed the amount specified in the contract. Payment term: within 30 days Transaction in the future: Transaction will be ongoing in the future as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee
	5.1 Booking fee - AAB	134,137,931	72,745,708	
	Booking fee payable - AAB	16,375,552	-	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
6. Purchase of merchandise and equipment				
(1) AAB	TAA purchases merchandise and equipment from AAB and ADE such as aircraft spare parts and certain inflight merchandise for selling on board.			TAA purchases merchandise and equipment from AAB and ADE such as aircraft spare parts and certain inflight merchandise for selling on board. Having centralized the product sourcing, AAB will accumulate all demand from Capital A before making a pooling purchase for higher bargaining power with suppliers.
(2) ADE				
	6.1 Purchase of merchandise and equipment - AAB	-	29,672	
	Purchase payable - AAB	-	-	Pricing: Comparable pricing with the one AAB and ADE made with outsiders
	6.2 Purchase of merchandise and equipment - ADE	12,105,845	6,017,024	Payment term: within 30 days
	Purchase payable - ADE	4,865,754	1,421,076	Transaction in the future: Purchase from the Group will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
7. (Gain) loss from fuel swap agreement allocation				
(1) AAB	TAA has the share of (gain) loss from fuel price swap agreements done through AAB as specified in the fuel swap agreement.			In protecting the risks on fluctuation of fuel price, TAA has entered into the fuel price swap agreement through AAB for better bargaining power. The decision making is dependent on TAA's judgment.
	7.1 Share of (gain) loss from fuel price swap agreements - AAB	-	-	(Gain) loss allocation: (Gain) loss from fuel price swap agreement will be allocated on a monthly basis by the estimated amount of fuel used by each company.
	Other non-current assets - deposits on fuel	17,029,500	17,195,650	Payment term: within 30 days
				Transaction in the future: (Gain) loss from fuel swap agreement allocation will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
8. Revenue from administrative fee from Insurance premium				
(1) TIMB	TAA receives administrative fee from Insurance Premium which is received from passenger in AirAsia Insure project.			TAA receives administrative fee from Insurance Premium which is received from passenger in AirAsia Insure project
(2) GFB				
	8.1 Revenue from administrative from insurance premium - TIMB			Pricing: Insurance Premium paid to TIMB and GFB are based on actual receipts. Administrative fee as agreed in the administrative agreement can comparable to market price.
	Insurance Premium	5,380,040	3,786,298	
	Administrative fee	1,345,010	946,575	Payment term: within 30 days
	Payable (Receivable) on Insurance Premium	1,359,705	480,128	Transaction in the future: Administrative fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	8.2 Revenue from administrative from insurance premium - GFB			
	Insurance Premium	126,965,307	87,571,796	
	Administrative fee	21,193,979	14,967,562	
	Payable on Insurance Premium	13,313,688	40,665,641	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
9. Management Fee				
(1) AAV	TAA pays management fee to AAV, Capital A and AAAGL for consultant and management policy			TAA pays management fee to AAV, Capital A and AAAGL for consultant and management policy which are related to operating company.
(2) Capital A				
(3) AAAGL	9.1 Management fee - AAV	25,000,000	25,000,000	Pricing: Management fee at 6,250,000 Baht per quarter and Actual cost as agreed in the administrative agreement
	Payable on management fee - AAV	73,562,500	46,812,500	
	9.2 Management fee - Capital A	-	99,815,060	Transaction in the future: Management fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Payable on management fee - Capital A	165,060,480	196,147,021	
	9.3 Management fee - AAAGL	584,684,128	-	
	Payable on management fee - AAAGL	488,090,361	-	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
10. Accounting, People, ICT service fee				
(1) AAAMS	AAAMS and IHQ provides service for people, accounting, and ICT services for Capital A.			AASEA provides service for people, accounting, and ICT services to Companies under Capital A which AAAMS and IHQ will calculate services fee by staff headcount.
(2) IHQ				
	10.1 Share of staff costs - AAAMS	99,724,040	-	Pricing: Invoices will be issued to Capital A by calculating from staff headcount as agreed in the administrative agreement plus margin as specified in the service agreement. Payment term: within 30 days
	Payable from Share of staff costs - AAAMS	99,724,040	-	
	10.2 Share of staff costs - IHQ	242,850,300	359,310,618	Transaction in the future: Accounting, People, ICT service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Payable from Share of staff costs - IHQ	37,723,351	435,068,369	
11. Loyalty program service fee				
(1) BLMY	BLMY arranges Big Loyalty program for return benefit to customer in Capital A, by issuing big point. Customer can redeem point for flight ticket and other service in Capital A.			BLMY arranges Big Loyalty program for return benefit to customer in Capital A, by issuing big point. Customer can redeem point for flight ticket and other service in Capital A.
	11.1 Loyalty program service fee - BLMY	56,537,852	34,649,197	Pricing: Loyalty program service fee as agreed in the administrative agreement Payment term: within 30 days
	Payable on Loyalty program service fee - BLMY	7,741,349	22,313,375	
	11.2 Passenger Revenue - BLMY	45,512,165	29,686,464	Transaction in the future: Loyalty program service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Receivable on Passenger Revenue - BLMY	12,599,292	35,216,834	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
12. Purchases of sim card				
(1) Tune Talk (Thailand) Limited	TAA purchases merchandise such as sim card for selling on board from Tune Talk (Thailand) Limited.			TAA purchases merchandise such as sim card for selling on board from Tune Talk (Thailand) Limited. Pricing: Purchases merchandise price as agreed in the administrative agreement
	12.1 Purchase of merchandise - Tune Talk (Thailand) Limited	2,102,990	1,121,520	Payment term: within 30 days
	Purchase payable - Tune Talk (Thailand) Limited	-	-	Transaction in the future: Purchase of merchandise from this company will be an ongoing transaction as it is a supporting normal course of business with general commercial term.
13. Expenses for room services and meeting room services				
(1) Wealth Ventures	TAA uses accommodation and meeting room at Hotel Mercure Bangkok Makkasan.			TAA uses accommodation and meeting room at Hotel Mercure Bangkok Makkasan which convenience and sufficient meeting rooms. Pricing: Room service fee as agreed in the administrative agreement
	13.1 Expenses for room services and meeting room services - Wealth ventures	38,432	12,804	Payment term: within 30 days
	Payable - Wealth ventures	662,257	662,257	Transaction in the future: Expenses for room services and meeting room services will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
14. Ground service expenses				
(1) AGZ	TAA receives ground service from company under Capital A.			TAA enters into Ground service agreement with company under Capital A
	14.1 Expense for Ground service - AGZ	60,071,049	-	Pricing: Ground service fee as agreed in the administrative agreement.
	Payable on Ground service - AGZ	11,891,063	-	Payment term: within 30 days
				Transaction in the future: Expenses for ground service will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
15. Other Services				
(1) TAX	TAA provides service for inflight warehouse management, ICT, People management, and other services to TAX			TAA provides service for inflight warehouse management, ICT, People management, and other services to TAX
	15.1 Revenues for other services fee - TAX	27,475	42,730	Pricing: Other services fee as agreed in the administrative agreement.
	Receivables on other service fee - TAX	27,475	42,730	Payment term: within 30 days
				Transaction in the future: Revenues for other services fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
16. Services fee expenses				
(1) ACT	ACT provides online platform to sell and collect payment for the sale of TAA's flights.			ACT provides online platform to sell and collect payment for the sale of TAA's flights. Pricing: Service fee as agreed in the services agreement Payment term: Within 30 days
16.1	Service fee expenses - ACT	1,245,968,488	562,710,453	Transaction in the future: This will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Payable on Service fee expense - ACT	382,298,101	235,937,605	
17. Freight Revenue				
(1) TLPSG	TAA has appointed TLPSG as cargo sale agent to manage and sell cargo capacities in TAA flights.			TAA has appointed TLPSG as cargo sale agent to manage and sell cargo capacities in TAA flights.
(2) TLPSG (TH branch)				
17.1	Revenues for Freight/Cargo - TLPSG	135,823,242	13,328,857	Pricing: Revenue as agreed in the general sales agreement. Payment term: within 30 days
	Receivables on Cargo revenue - TLPSG	26,729,453	12,638,662	
17.2	Revenues for Freight/Cargo - TLPSG (TH branch)	58,152,059	54,908,825	Transaction in the future: This will be an ongoing transaction in a future as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
	Receivables on Cargo revenue - TLPSG (TH branch)	10,412,841	22,990,802	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
18. Engineering Service income				
(1) TAX	TAA provides engineering service to TAX.			TAA provides engineering service to TAX.
				Pricing: Service fee as agreed in the services agreement
	18.1 Engineering Service income - TAX	66,055,500	41,976,275	Payment term: within 30 days
	Receivable on Engineering Service income - TAX	34,071,314	176,568,957	Transaction in the future: Service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term
19. Loan				
(1) TAA	TAA obtains loan from AAV to support working capital.			TAA obtains loan from AAV to support working capital.
	19.1 Loan outstanding - TAA	-	89,000,000	Transaction in the future: This transaction is considered as the financial assistance to the Company's subsidiary to be used for working capital and general operation. The Board and the Audit Committee approved and was of the opinion that there was reasonably made and beneficial to the Company and subsidiary
	Interest expenses - TAA	93,726	1,362,000	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2023	2022	
20. Data Services and Cyber Security service fee				
(1) ATS	ATS and AAD provides data consultancy services to support and advice TAA on process, policies and practices.			ATS and AAD provides data consultancy services to support and advice TAA on process, policies and practices. Pricing: Services fee as agreed in the services agreement Payment term: within 60 days Transaction in the future: Service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
(2) AAD				
	20.1 Data Services and Cyber Security service fee - ATS	687,290	2,508,304	
	Payables on Data Services and Cyber Security service fee - ATS	22,689,176	22,223,963	
	20.2 Data Services and Cyber Security service fee - AAD	951,565	1,770,107	
	Payables on Data Services and Cyber Security service fee - AAD	2,702,999	1,770,107	



The Audit Committee Opinion On The Related Parties' Transactions



The related parties' transactions have been considered and opined by the audit committee of Asia Aviation and Thai AirAsia as reasonable and essential for the operations of both companies, having general commercial terms under the normal course of business, undertaken for the best interests of the companies.

Approval Procedure For Related Parties' Transactions



In the case of entering into the related parties transactions, Asia Aviation and Thai AirAsia will follow the guidance in accordance with the Securities and Exchange Act as well as the notifications, rules and regulations of the Securities Exchange Commission (SEC) and will consider on the basis of necessity and reasonableness of the transaction with the fair price and business terms at the company's best interests before proposing to the Board of Directors and/or Shareholders' Meeting, whichever case may be. Person with conflict of interest shall not be eligible to approve on such transaction. In the case that the audit committee of the Company and/or of Thai AirAsia lacks the expertise in considering the upcoming related parties transactions, the Company and Thai AirAsia will appoint independent experts or auditors for opinion on such transactions.

Policy On Entering Into The Related Parties' Transaction In The Future



Asia Aviation and Thai AirAsia will enter into transactions with related parties in the future with considerations on the reasonableness, the appropriate pricing policy and fair business terms as well as with proper approval process according to relevant rules and regulations at the best interest of the company.





บริษัท ปตท. น้ำมันและการค้าปลีก จำกัด (มหาชน)

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Financial Information

Asia Aviation Public Company Limited and Its Subsidiaries
Report and Consolidated Financial Statements
31 December 2023



Report of Directors Relating to Responsibility for Financial Statements



The Board of Directors is responsible for Asia Aviation's financial statements and Asia Aviation and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company Shareholders and investors.

The Board of Directors has provided and maintained risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, financial reports, review internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiary have been examined by an external auditor, EY Office Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Asia Aviation's financial statements and Asia Aviation and its subsidiary's consolidated financial statements for the year ended 31 December 2023. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.

(Mr. Vichate Tantiwanich)
Chairman of the Board

(Mr. Santisuk Klongchaiya)
Chief Executive Officer



Independent Auditor's Report



To the Shareholders of Asia Aviation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Asia Aviation Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, 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 Asia Aviation 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 Asia Aviation Public Company Limited and its subsidiary and of Asia Aviation Public Company Limited as at 31 December 2023, 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 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.

Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 to the consolidated financial statements, the COVID-19 pandemic in the past several years has resulted in an adverse impact on the tourism and hospitality industries. This directly affects the Group's aviation business. Despite the improvements in the COVID-19 situation, the total number of flights has yet to reach close to pre-pandemic levels. This situation has significantly affected the Group's financial position, operating results, and cash flows. Therefore, as at 31 December 2023, the Group's consolidated statement of financial position presented total current liabilities exceeded its total current assets by significant amount.

Currently, the management is in the process of implementing various measures to modify business plans, reduce costs and postpone repayments and expenses to manage the Group's liquidity and its cash flows, and the management believes that the Group will be able to continue as a going concern. The financial statements have been prepared under the going concern basis. However, the success of business plans depends on external factors. This indicates that there are material uncertainties which may raise substantial doubt about the Group's ability to continue as a going concern. 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.



In addition to the matter described in the Material Uncertainty Related to Going Concern section, key audit matters and how audit procedures respond to each matters are described below.

Deferred Tax

The Group has disclosed its accounting policy and details relating to deferred tax in Note 31 to the consolidated financial statements. A deferred tax asset is recognised when it is highly probable that the Group's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgment with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.

I gained an understanding of and assessed the estimates of future taxable profit which is the same information as cash flow projections used in assessing impairment of non-financial assets. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits, especially in respect of long-term revenue growth. In addition, I reviewed the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised by the Group.

Recognition of Passenger Service Revenues and Other Related Services

Passenger service revenues and other related services of the Group, as described in Note 26 to the consolidated financial statements, are key performance indicators for users of the financial statements. In addition, recognition of passenger service revenues and other related services for each flight relies on data processed from complex IT systems and involves a significant volume of advanced booking tickets via various sales channels and different ticket prices.

As a result, I focused on accuracy and occurrence of data in the revenue reports that were generated from the system to recognise revenues during the year.

I have examined the recognition of passenger service revenues and other related services of the Group by

- Reviewing the testing results as reported in auditor reports of those service organisations, IT general controls and IT application controls over ticket reservation, collections for which covered ticket fare and other related services, and revenue recognition of passenger service revenues and other related services.

- Assessing and testing the Group's internal controls with respect to the revenue process, receipt process and financial statement close process by making enquiry of responsible persons, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Reconciling passenger service revenues recorded in the book to reports generated from a related system.
- On a sampling basis, examining flight information and flight schedules for revenue transactions occurring during the year.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the period, including accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise 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 that matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.

Kunlapee Piyawannasuth
Certified Public Accountant (Thailand) No. 6137

EY Office Limited

Bangkok: 22 February 2024



Statement of Financial Position

As at 31 December 2023



(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	1,284,533	797,800	45,942	1,242
Trade and other receivables	8	1,199,091	853,692	3,662	4,775
Amounts due from related parties	6	6,331,309	2,539,893	74,549	46,973
Short-term loan to subsidiary	6	-	-	-	89,000
Inventories		508,490	401,262	-	-
Current tax assets		6,557	5,819	236	224
Prepaid expenses		604,273	452,399	1,285	1,531
Other current financial assets	6	70,686	184,600	-	-
Derivative assets	38	15	874	-	-
Total current assets		10,004,954	5,236,339	125,674	143,745
Non-current assets					
Other non-current financial assets	6, 16	1,823,809	1,266,806	-	-
Derivative assets	38	-	583	-	-
Investment in subsidiaries	9	-	-	16,885,032	16,863,246
Aircraft maintenance reserves	6, 10	1,763,622	2,687,676	-	-
Property, building, aircraft, leasehold improvements and equipment	11	4,083,415	4,185,034	-	-
Right-of-use assets	12	23,906,320	25,025,902	-	-
Intangible assets	13, 15	14,857,786	14,859,467	-	-
Investment property	14	503,374	514,261	-	-
Goodwill	15	8,824,826	8,824,826	-	-
Deferred tax assets	31	2,025,775	2,084,630	5,692	6,408
Total non-current assets		57,788,927	59,449,185	16,890,724	16,869,654
Total assets		67,793,881	64,685,524	17,016,398	17,013,399

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



Statement of Financial Position (Continued)

As at 31 December 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from financial institutions	17	1,250,000	750,000	-	-
Short-term debentures	18	-	742,934	-	-
Trade payables		1,893,437	1,463,521	-	-
Other payables		275,248	393,067	602	791
Amounts due to related parties	6	1,739,154	1,421,970	-	-
Current portion of long-term borrowings from financial institutions	19	1,058,520	827,952	-	-
Current portion of long-term debentures	20	1,426,941	999,757	-	-
Current portion of liabilities under lease agreements	6, 22	5,788,942	6,331,068	-	-
Unearned income		4,972,046	4,020,496	-	-
Accrued expenses		6,615,307	4,868,228	1,203	880
Derivative liabilities	38	3,493	74,154	-	-
Total current liabilities		25,023,088	21,893,147	1,805	1,671
Non-current liabilities					
Long-term borrowings from financial institutions - net of current portion	19	2,252,364	2,560,339	-	-
Long-term debentures - net of current portion	20	2,673,461	1,417,798	-	-
Liabilities under lease agreements - net of current portion	6, 22	28,611,695	30,125,390	-	-
Provision for long-term employee benefits	23	820,936	732,794	-	-
Derivative liabilities	38	-	1,650	-	-
Total non-current liabilities		34,358,456	34,837,971	-	-
Total liabilities		59,381,544	56,731,118	1,805	1,671

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



Statement of Financial Position (Continued)

As at 31 December 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Shareholders' equity					
Share capital	24				
Registered					
12,850,000,000 ordinary shares of Baht 0.1 each		1,285,000	1,285,000	1,285,000	1,285,000
Issued and paid up					
12,850,000,000 ordinary shares of Baht 0.1 each (2022: 12,164,285,713 ordinary shares of Baht 0.1 each)		1,285,000	1,216,429	1,285,000	1,216,429
Premium on ordinary shares	24	15,799,808	14,668,379	15,799,808	14,668,379
Convertible debentures - equity component	21	-	1,200,000	-	1,200,000
Deficits					
Appropriated - statutory reserve	25	48,500	48,500	48,500	48,500
Unappropriated		(8,720,971)	(9,178,902)	(118,715)	(121,580)
Total shareholders' equity		8,412,337	7,954,406	17,014,593	17,011,728
Total liabilities and shareholders' equity		67,793,881	64,685,524	17,016,398	17,013,399

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



Statement of Comprehensive Income

For the year ended
31 December 2023



(Unit: Thousand Baht, except earning per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit or loss:					
Revenues					
Revenues from sales and services	26	41,241,460	17,553,287	25,000	25,000
Other income	27	1,708,676	737,464	750	1,250
Total revenues		42,950,136	18,290,751	25,750	26,250
Expenses					
Cost of sales and services		36,811,642	23,533,471	-	-
Selling and distribution expenses		1,932,821	678,426	-	-
Administrative expenses		1,033,697	1,032,606	22,390	56,828
Other expenses	29	386,974	1,521,857	-	1
Total expenses		40,165,134	26,766,360	22,390	56,829
Profit (loss) from operating activities		2,785,002	(8,475,609)	3,360	(30,579)
Finance income		32,871	29,186	241	2,160
Finance costs	30	(2,291,227)	(2,219,499)	(20)	(20)
Profit (loss) before income tax revenue (expense)		526,646	(10,665,922)	3,581	(28,439)
Income tax revenue (expense)	31	(60,827)	2,451,560	(716)	-
Profit (loss) for the year		465,819	(8,214,362)	2,865	(28,439)

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



Statement of Comprehensive Income (Continued)

For the year ended
31 December 2023

(Unit: Thousand Baht, except earning per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain on cash flow hedges - net of income tax		-	115,899	-	-
Net change in cost of cash flow hedges - net of income tax	38	-	(5,025)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax		-	110,874	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	23	(7,888)	125,227	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(7,888)	125,227	-	-
Other comprehensive income for the year		(7,888)	236,101	-	-
Total comprehensive income for the year		457,931	(7,978,261)	2,865	(28,439)

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



Statement of Comprehensive Income (Continued)

For the year ended
31 December 2023

(Unit: Thousand Baht, except earning per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Profit (loss) attributable to:					
Equity holders of the Company		465,819	(8,029,997)	2,865	(28,439)
Non-controlling interests of the subsidiary		-	(184,365)		
		465,819	(8,214,362)		
Total comprehensive income attributable to:					
Equity holders of the Company		457,931	(7,846,226)	2,865	(28,439)
Non-controlling interests of the subsidiary		-	(132,035)		
		457,931	(7,978,261)		
Earning (loss) per share					
Basic and diluted earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company	33	0.0379	(0.6921)	0.0002	(0.0025)
Weighted average number of ordinary shares (Thousand shares)		12,290,626	11,602,838	12,290,626	11,602,838

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



Statement of Changes in Shareholders' Equity

For the year ended
31 December 2023



(Unit: Thousand Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company						Other components of shareholders' equity				
	Issued and paid-up share capital	Premium on ordinary shares	Convertible debentures equity component	Retained earnings		Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated	Unappropriated						
Balance as at 1 January 2022	987,857	10,896,951	2,200,000	48,500	6,126,335	(61,295)	2,751	(58,544)	20,201,099	(3,372,300)	16,828,799
Loss for the year	-	-	-	-	(8,029,997)	-	-	-	(8,029,997)	(184,365)	(8,214,362)
Other comprehensive income for the year	-	-	-	-	125,227	61,295	(2,751)	58,544	183,771	52,330	236,101
Total comprehensive income for the year	-	-	-	-	(7,904,770)	61,295	(2,751)	58,544	(7,846,226)	(132,035)	(7,978,261)
Issuance new ordinary shares (Note 24)	171,429	2,828,571	-	-	-	-	-	-	3,000,000	-	3,000,000
Convertible debentures (Note 21)	57,143	942,857	(1,000,000)	-	-	-	-	-	-	-	-
Decrease in non-controlling interests of the subsidiary from changes in interests of investment	-	-	-	-	(7,400,467)	-	-	-	(7,400,467)	3,504,335	(3,896,132)
Balance as at 31 December 2022	1,216,429	14,668,379	1,200,000	48,500	(9,178,902)	-	-	-	7,954,406	-	7,954,406
Balance as at 1 January 2023	1,216,429	14,668,379	1,200,000	48,500	(9,178,902)	-	-	-	7,954,406	-	7,954,406
Profit for the year	-	-	-	-	465,819	-	-	-	465,819	-	465,819
Other comprehensive income for the year	-	-	-	-	(7,888)	-	-	-	(7,888)	-	(7,888)
Total comprehensive income for the year	-	-	-	-	457,931	-	-	-	457,931	-	457,931
Converting debentures (Note 21)	68,571	1,131,429	(1,200,000)	-	-	-	-	-	-	-	-
Balance as at 31 December 2023	1,285,000	15,799,808	-	48,500	(8,720,971)	-	-	-	8,412,337	-	8,412,337

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



Statement of Changes in Shareholders' Equity (Continued)

For the year ended
31 December 2023

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Convertible debentures equity component	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 1 January 2022	987,857	10,896,951	2,200,000	48,500	(93,141)	14,040,167
Loss for the year	-	-	-	-	(28,439)	(28,439)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(28,439)	(28,439)
Issuance new ordinary shares (Note 24)	171,429	2,828,571	-	-	-	3,000,000
Convertible debentures (Note 21)	57,143	942,857	(1,000,000)	-	-	-
Balance as at 31 December 2022	1,216,429	14,668,379	1,200,000	48,500	(121,580)	17,011,728
Balance as at 1 January 2023	1,216,429	14,668,379	1,200,000	48,500	(121,580)	17,011,728
Profit for the year	-	-	-	-	2,865	2,865
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,865	2,865
Convertible debentures (Note 21)	68,571	1,131,429	(1,200,000)	-	-	-
Balance as at 31 December 2023	1,285,000	15,799,808	-	48,500	(118,715)	17,014,593

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



Cash Flow Statement

For the year ended
31 December 2023



(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit (loss) before tax	526,646	(10,665,922)	3,581	(28,439)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Allowance for expected credit losses and bad debts	386,974	21,901	-	-
Write-off tax asset	2,781	8,584	-	-
Depreciation and amortisation	4,992,375	6,114,053	-	-
(Gain) loss on disposal and write-off aircraft spare parts, motor vehicle and equipment	(1,837)	46,580	-	-
Difference from lease termination	-	(422,907)	-	-
Long-term employee benefits expenses	85,376	117,031	-	-
(Gain) loss on derivatives	(70,870)	98,046	-	-
Unrealise (gain) loss on exchange	(490,390)	1,447,963	-	-
Finance income	(32,871)	(29,186)	(241)	(2,160)
Finance costs	2,291,227	2,219,499	20	20

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



Cash Flow Statement

(Continued)

For the year ended
31 December 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit (loss) from operating activities before changes in operating assets and liabilities	7,689,411	(1,044,358)	3,360	(30,579)
Operating assets (increase) decrease				
Trade and other receivables	(394,223)	(310,820)	1,113	(1,231)
Amounts due from related parties	(4,033,467)	(1,417,478)	(27,576)	(26,531)
Inventories	(107,228)	(170,988)	-	-
Prepaid expenses	(151,874)	(356,130)	246	(106)
Other current assets	111,804	42,235	-	-
Other non-current financial assets	(84,067)	-	-	-
Operating liabilities increase (decrease)				
Trade payables	490,947	602,144	-	-
Other payables	(98,025)	(465,425)	(189)	(53,260)
Amounts due to related parties	12,793	(327,580)	-	-
Unearned income	891,135	1,621,330	-	-
Accrued expenses	1,922,530	2,403,192	323	(73)
Payment for long-term employee benefits	(7,095)	(10,142)	-	-
Cash flows from (used in) operating activities	6,242,641	565,980	(22,723)	(111,780)
Cash paid for income tax	(3,518)	(1,958)	(12)	(25)
Net cash flows from (used in) operating activities	6,239,123	564,022	(22,735)	(111,805)

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



Cash Flow Statement (Continued)

For the year ended
31 December 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Net decrease in short-term loan to subsidiary	-	-	89,000	2,361,000
Cash paid for a subsidiary	-	-	(21,786)	(9,896,132)
Payment for aircraft maintenance reserves	(209,589)	(296,557)	-	-
Payment for deposit aircraft maintenances	(411,645)	-	-	-
Cash paid for building, aircraft, leasehold improvements, equipment and investment properties	(301,633)	(596,442)	-	-
Cash paid for intangible asset	(362)	-	-	-
Proceeds from disposals of aircraft spare parts, motor vehicle and equipment	21,837	4,292,209	-	-
Cash paid for right-of-use assets	(29,875)	(123,397)	-	-
Cash paid to non-controlling interest of subsidiary from investments in subsidiary	-	(3,896,132)	-	-
Interest received	4,939	30,604	241	2,160
Net cash flows from (used in) investing activities	(926,328)	(589,715)	67,455	(7,532,972)

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



Cash Flow Statement

(Continued)

For the year ended
31 December 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from financing activities				
Net increase in short-term borrowings from financial institutions	500,000	-	-	-
Net increase (decrease) in short-term debentures	(750,000)	663,668	-	-
Proceeds from long-term borrowing from financial institution	750,000	30,000	-	-
Repayments of long-term borrowings from financial institutions	(813,265)	(677,765)	-	-
Payment for front-end fee	(52,003)	-	-	-
Net proceed from long-term debenture	2,700,000	1,413,164	-	-
Repayment of long-term debenture	(1,000,000)	(1,800,000)	-	-
Payments for early termination of lease agreements	-	(1,739,928)	-	-
Cash paid for liabilities under lease agreements	(5,543,654)	(5,023,702)	-	-
Interest paid	(611,926)	(396,144)	(20)	(20)
Cash received for share subscription	-	3,000,000	-	3,000,000
Net cash flows from (used in) financing activities	(4,820,848)	(4,530,707)	(20)	2,999,980
Net increase (decrease) in cash and cash equivalents	491,947	(4,556,400)	44,700	(4,644,797)
Cash and cash equivalents at beginning of the year	797,800	5,359,583	1,242	4,646,039
Unrealised exchange loss on cash and cash equivalents	(5,214)	(5,383)	-	-
Cash and cash equivalents at end of the year (Note 7)	1,284,533	797,800	45,942	1,242

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



Cash Flow Statement (Continued)

For the year ended
31 December 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Non-cash items:				
Conversion of convertible debentures to ordinary shares	1,200,000	250,000	1,200,000	250,000
Decrease in trade payable from other non-current finance assets	2,445	-	-	-
Decrease in other payables from acquisitions of equipment	16,168	64,356	-	-
Increase in other payables from aircraft maintenance reserves	57,355	71,534	-	-
Increase in amounts due to related parties from aircraft maintenance reserves	128,532	-	-	-
Increase in accrued expense from front end fee	-	9,914	-	-
Transfer property, leasehold improvedment and equipment to investment properties	232	-	-	-
Transfer of investment properties to property, leasehold improvements and equipment	-	18,718	-	-
Transfer right-of-use assets to aircraft	-	3,212,137	-	-
Decrease in right-of-use assets from early terminate	-	423,207	-	-
Increase in right-of-use assets and liabilities under lease agreements				
from new lease agreements	1,288,815	2,972,216	-	-
Increase in right-of-use assets and liabilities under lease agreement				
from lease measurement	908,761	682,628	-	-
Increase in right-of-use assets from new lease agreements	-	115,049	-	-
Transfer of deposits for lease of aircraft to right-of-use				
assets from new lease measurements	8,665	19,431	-	-
Transfer of deposits for lease of aircraft to right-of-use assets from lease remeasurement	24,363	15,117	-	-
Decrease in lease liabilities from early terminate	-	822,913	-	-
Decrease in lease liabilities from offsetting with amounts due to related parties	129,036	423,398	-	-

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



Notes to Consolidated Financial Statements

For the year ended
31 December 2023



1. General information

1.1 The Company's general information

Asia Aviation Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investing in low-fare airline business company. Its registered address is at 222, Don Mueang International Airport, 3rd floor, Central Office Building, Room no. 3200, Vibhavadee Rangsit Road, Sanam Bin Sub-District, Don Mueang District, Bangkok.

1.2 Coronavirus 2019 (COVID-19) Pandemic

The COVID-19 pandemic has in the past several years resulted in an adverse impact on the tourism and hospitality industries. This directly affects the Group's aviation business. Despite the improvements in the COVID-19 situation, the total number of flights has yet to reach close to pre-pandemic levels. This situation has significantly affected the Group's financial position, operating results, and cash flows. Therefore, as at 31 December 2023, the Group's consolidated statement of financial position presented total current liabilities exceeded its total current assets by significant amount.

Currently, the management is the process of implementing various measures to modify business plans, reduce costs and postpone repayments and expenses to manage the Group's liquidity and its cash flows, and the management believes that the Group will be able to continue as a going concern. The financial statements have been prepared under

the going concern basis. However, the success of business plans depends on external factors. This indicates that there are material uncertainties which may raise substantial doubt about the Group's ability 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, issue under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Group. 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 Asia Aviation Public Company Limited ("the Company") and the following subsidiary ("the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 (%)	2022 (%)
Direct investment				
Thai AirAsia Co., Ltd.	Low-fare airline service	Thailand	100.00	100.00
Subsidiary held by Thai AirAsia Co., Ltd.				
Asia Aviation Center Co., Ltd.	Providing academy institution of learning and competency development for aviation tourism and hospitality industries	Thailand	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 affect the amount of its returns.
- c) Subsidiaries is 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.

2.3 The separate financial statements present investment in subsidiary under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the 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 adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

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 2024. 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 Revenue and expenses recognition

Passenger service revenues and other related services

Passenger service revenues and other related services such as baggage handling fee, assigned seat revenue, cancellation and documentation revenue, processing fee and other fees are recognised upon the rendering of flight services. The value of seats sold and fees for which flight services have not been rendered is included in deferred revenues.

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 on 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 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.

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.

4.3 Inventories

Inventories comprising food, beverages and merchandise are valued at the lower of cost (under the weighted average method) and net realisable value.

Consumables used internally for aircraft repairs and maintenance are valued at the lower of cost (under the weighted average method) and net realisable value.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories such as import duties and transportation charges, less all attributable discounts, allowances or rebates.

Net realisable value is the estimate of the selling price in the ordinary course of business, less estimated cost necessary to make the sale. Allowance is made, as appropriate, for obsolete, slow moving or defective inventories.



4.4 Property, building, aircraft, leasehold improvement and equipment and depreciation

Land is stated at cost less allowance for loss on impairment (if any).

Building, aircraft, leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Initial cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

The subsidiary will transfer aircraft maintenance reserves to cost of aircraft and aircraft engines once the major overhaul occurred, and amortised as expenses over the useful life on the straight line basis. In case that next major repair and maintenance occurs before the previously capitalised amount is fully amortised, the remaining balance of previous repair and maintenance will be charged to profit or loss in the financial period which next major repair and maintenance incurred.

Depreciation of aircraft, building, leasehold improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building and building improvements	- 5 - 30 years
Aircraft and aircraft engines	- 5 - 25 years
Aircraft spare parts	- 5 and 10 years

Leasehold improvements	- 5 and 10 years
Computers	- 5 years
Furniture, fixture and office equipment	- 5 years
Operating equipment	- 5 years
Motor vehicles	- 5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

An item of property, building, aircraft, leasehold improvements 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.

4.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.6 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases

are 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 lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible assets with finite useful lives, which are computer software, have useful lives of 5 years.

No amortisation is provided on computer software under installation.

Intangible assets with indefinite useful live, which are landing rights, are not amortised. Landing rights are considered to have an indefinite useful life as they will remain available for use for the foreseeable future provided that minimum utilisation requirements are observed. The assessment of indefinite useful lives of the intangible assets is reviewed and impairment is tested annually.

4.7 Investment properties

Investment properties is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of buildings classified as investment properties is calculated by reference to their costs on the straight-line

basis over estimated useful lives of 5 to 29 years, and included in determining income. No depreciation is provided on land and buildings under construction.

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.

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.



4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.10 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 use of an identified asset for a period of time in exchange for consideration.

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 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.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated 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.

Aircraft and aircraft engines	4 - 25 years
Space	3 and 10 years
Motor vehicles	4 and 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.

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 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.

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 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.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group'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, aircraft, leasehold improvement and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. 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.

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 and other long-term employee 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 and other long-term employee benefits

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. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee 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.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

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 Income tax

Income tax 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 it recognises 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.

4.16 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 classification 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 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 are derivatives, which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

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.

Recognition and derecognition of financial instruments

Regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e., the date on which an asset is delivered to or by the Group.

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

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.

It is 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.

4.17 Derivatives and hedge accounting

Derivative financial instruments that the Group uses to manage risks on fluctuation of exchange rate and interest rate comprise, forward foreign exchange contracts, interest rate swap agreements and cross currency swap agreements and to manage fluctuation in fuel price comprise fuel price swap agreements.

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 non-current assets or non-current 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 current assets or current 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 or the foreign currency risk in an unrecognised firm commitment

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.

The Group designates only the financial instrument excluding the foreign currency basis spread as a hedging instrument. The change in fair value of the foreign currency basis spread of financial instrument that relates to the hedged item is separately accounted for as a cost of hedging which is recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

If the hedged item is transaction-related, the cost of hedging reserve accumulated in other comprehensive income is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the reserve accumulated in other comprehensive income is reclassified to profit or loss on systematic and rational basis.

The reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

4.18 Convertible debentures

Convertible debenture denominated in Thai Baht that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The equity component of convertible debenture is initially recognised at the fair value of an equity conversion option. The liability component is initially recognised at the difference between the fair value of the convertible debenture as a whole and the fair value of the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a convertible debenture is measured at amortised cost using the effective interest method. The equity component of a convertible debenture is not remeasured.

Interest related to the financial liabilities is recognised in profit and loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

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 their 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 are 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 categorise 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:

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.

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 a non-financial asset, 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.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

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.

Post-employment benefits under defined benefits and other long-term employee benefits

The obligations under the defined post employment benefit plan and other long-term employee 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.

6. Related party transactions

As at 31 December 2023 and 2022, significant related persons and companies of the Group are summarised as below.

- AirAsia Aviation Group Limited (the subsidiary of Capital A Berhad) the 40.71% (2022: 43.00%) held shareholder in the Company
- Khun Tassapon Bijleveld (and the Bijleveld family), the major shareholder of the Company, director, and management of the Group
- Directors and senior management of the Group



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 Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	For the years ended 31 December				
	2023	2022	2023	2022	
Transactions with related companies					
Revenues from freight and cargo	194	68	-	-	Contract price
Engineering service income	66	42	-	-	Contract price
Aircraft repair and maintenance expenses	1,986	1,094	-	-	Market price
Commission expenses	1,246	563	-	-	Contract price
Aircraft and aircraft engines rental expenses	857	1,578	-	-	Contract price
Management expenses	585	100	-	-	Contract price
Allocated staff cost and other service expenses	343	359	-	-	Contract price
Booking fee expenses	134	73	-	-	Contract price

As at 31 December 2023 and 2022, the outstanding balances between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	Amounts due from related parties			
Subsidiary	-	-	74,067	46,823
Related companies (common shareholders and/or directors)	6,447,851	2,838,522	482	150
Less: Allowance for expected credit losses	(116,542)	(298,629)	-	-
Total amounts due from related parties - net	6,331,309	2,539,893	74,549	46,973

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Other current financial assets				
Deposits for lease of aircraft				
Related company (common shareholders and directors)	23,160	80,661	-	-
Total	23,160	80,661	-	-
Other non-current financial assets (Note 16)				
<i>Deposits for lease of aircraft</i>				
Related company (common shareholders and directors)	138,872	114,774	-	-
<i>Deposits for fuel price swap agreements</i>				
Related company (common shareholders and directors)	17,030	17,196	-	-
<i>Other deposits</i>				
Related company (common directors)	20,000	20,000	-	-
Total	175,902	151,970	-	-
Aircraft maintenance reserves (Note 10)				
Related company (common shareholders and directors)	1,763,622	2,687,676	-	-
Total	1,763,622	2,687,676	-	-
Amounts due to related parties				
Related companies (common shareholders and/or directors)	1,739,154	1,421,970	-	-
Total	1,739,154	1,421,970	-	-
Lease liabilities (Note 22)				
Related company (common shareholders and directors)	3,750,027	2,353,874	-	-
Total	3,750,027	2,353,874	-	-



Short-term borrowings to subsidiary

(Unit: Thousand Baht)

Loan to subsidiary	Separate financial statements			
	Balance as at 1 January 2023	Increase during the year	Decrease during the year	Balance as at 31 December 2023
Thai AirAsia Co., Ltd.	89,000	105,000	(194,000)	-
Total	89,000	105,000	(194,000)	-

Short-term borrowings to subsidiary are unsecured loans with fixed interest rate at 0.25 percent per annum, and payable at call or when the borrower has sufficient cash flow, which full repayment during 2023.

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	118,213	100,813	11,360	11,480
Post-employment benefits	6,642	3,828	-	-
Other long-term benefits	26	15	-	-
Total	124,881	104,656	11,360	11,480

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash	29,343	15,920	-	-
Bank deposits	912,895	372,230	45,942	1,242
Bank deposit held for short-term payment	342,295	409,650	-	-
Total	1,284,533	797,800	45,942	1,242

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interests between 0.04 and 0.70 percent per annum (2022: Between 0.04 and 0.35 percent per annum).

Bank deposit held for short-term payment represents a portion of the savings deposit that the subsidiary has set aside for the payment of fuel costs to a local private company.



8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<u>Trade receivables</u>				
Aged on the basis of due dates				
Not yet due	303,328	211,526	-	-
Past due				
Up to 3 months	12,229	23,989	-	-
3 - 6 months	17,206	21,575	-	-
6 - 12 months	18,089	10,787	-	-
Over 12 months	62,106	45,946	-	-
Total	412,958	313,823	-	-
Less: Allowance for expected credit losses	(73,322)	(51,839)	-	-
Total trade receivables - net	339,636	261,984	-	-
<u>Other receivables</u>				
Aircraft maintenance claimable	657,916	415,374	-	-
Value added tax refundable	124,137	154,899	2,913	4,054
Others	137,808	65,638	749	721
Total	919,861	635,911	3,662	4,775
Less: Allowance for expected credit losses	(60,406)	(44,203)	-	-
Total other receivables - net	859,455	591,708	3,662	4,775
Total trade and other receivables - net	1,199,091	853,692	3,662	4,775



9. Investment in subsidiaries

9.1 As at 31 December 2023 and 2022, investment in subsidiaries as presented in separate financial statements as follows.

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2023	2022	2023	2022	2023	2022
	(Thousand Baht)	(Thousand Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)
Thai AirAsia Co., Ltd.	967,970	946,183	99.99	99.99	16,885,032	16,863,246
<u>Subsidiary held by Thai AirAsia Co., Ltd.</u>						
Asia Aviation Center Co., Ltd.	2,500	2,500	99.99	99.99	2,500	2,500

The Company has no dividend received from the subsidiary in 2023 and 2022.

On 20 January 2022, the Company subscribed for an additional 19,600,000 shares of Thai AirAsia Company Limited from other shareholders in total value of USD 116.77 million or Baht 3,896 million and Thai AirAsia Co., Ltd. has a 99.99% shareholding of that Company.

On 30 August 2023, the Company subscribed for an additional 2,178,625 shares of Thai AirAsia Company Limited, Totaling Baht 21.79 million.

9.2 Financial statements of subsidiary

Financial statements of Asia Aviation Center Co., Ltd. were prepared by its managements and had not yet been audited by its auditor. However, the management believes that there would be no material differences if the financial statements has been audited by the auditor.

10. Aircraft maintenance reserves

The subsidiary had entered into an Aircraft maintenance services agreement with related companies. Under this agreement, the subsidiary will make prepayments for the aircraft maintenance reserves based on the number of aircraft, number of engines and number of hours flown. These aircraft maintenance reserves are managed by the subsidiary for future maintenance/overhaul deemed necessary to be performed once the aircraft reached certain engine hours/hours flown. Aircraft maintenance reserves will be transferred to aircraft upon actual overhaul occur or amortised over the estimated maintenance period for the leased asset.

Movements of the aircraft maintenance reserves account during the years 2023 and 2022 are summarised below.

	Consolidated financial statements	
	2023	2022
Net book value as at 1 January	2,687,676	4,958,624
Payment for aircraft maintenance reserves	338,121	-
Amortisation	(1,262,175)	(2,270,948)
Net book value as at 31 December	1,763,622	2,687,676

(Unit: Thousand Baht)



As at 31 December 2023, certain items of leasehold improvements and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2,159 million (2022: Baht 1,867 million).

As at 31 December 2023, the subsidiary has mortgaged its land and building constructed thereon equipment vehicles 3 aircraft and 2 engines (2022: land and buildings constructed thereon and 3 aircraft) with net book value amounting to approximately Baht 3,390 million (2022: Baht 3,553 million) as collateral against credit facilities received from financial institutions as discussed in Note 19.

12. Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

	Consolidated financial statements			
	Aircrafts and aircraft engines	Space	Motor vehicles	Total
As at 1 January 2022	28,075,663	75,921	132,894	28,284,478
Increase from new lease agreements				
during the year	3,047,699	58,998	-	3,106,697
Increase from lease remeasurement	697,745	-	-	697,745
Decrease from early termination				
of lease agreements	(3,635,344)	-	-	(3,635,344)
Depreciation for the year	(3,338,406)	(38,965)	(50,303)	(3,427,674)
As at 31 December 2022	24,847,357	95,954	82,591	25,025,902
Increase from new lease agreements				
during the year	1,297,480	-	-	1,297,480
Increase from lease remeasurement	933,124	-	-	933,124
Depreciation for the year	(3,273,157)	(32,113)	(44,916)	(3,350,186)
As at 31 December 2023	23,804,804	63,841	37,675	23,906,320

13. Intangible assets

The net book value of intangible assets as at 31 December 2023 and 2022 is presented below.

	Consolidated financial statements			Separate financial statements
	Landing rights	Computer software	Total	Computer software
As at 31 December 2023				
Cost	14,856,000	81,447	14,937,447	6
Less: Accumulated amortisation	-	(79,661)	(79,661)	(6)
Net book value	14,856,000	1,786	14,857,786	-
As at 31 December 2022				
Cost	14,856,000	81,085	14,937,085	6
Less: Accumulated amortisation	-	(77,618)	(77,618)	(6)
Net book value	14,856,000	3,467	14,859,467	-

Reconciliations of the net book values of intangible assets for the years 2023 and 2022 are presented below.

	Consolidated financial statements	
	2023	2022
Net book value as at 1 January	14,859,467	14,862,686
Additions	362	-
Amortisation	(2,043)	(3,219)
Net book value as at 31 December	14,857,786	14,859,467

Landing rights are tested for impairment together with goodwill due to they are in the same cash-generating unit (CGU).



14. Investment properties

Reconciliations of the net book values of investment properties for the years 2023 and 2022 are presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2023	2022
Net book value as at 1 January	514,261	543,632
Cost of asset decoration	366	270
Transfer from (to) property, building, aircraft, leasehold improvements - net book value as at transfer date	232	(18,718)
Depreciation	(11,485)	(10,923)
Net book value as at 31 December	503,374	514,261

The fair value of investment properties as at 31 December 2023 amounted to Baht 586 million (2022: Baht 586 million). The fair value has been determined based on valuation performed by an accredited independent valuer. The market prices of the land and building held for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

As at 31 December 2023, the subsidiary has mortgaged its land and buildings constructed thereon with net book value amounting to approximately Baht 503 million (2022: Baht 514 million) as collateral against credit facilities received from financial institutions as described in Note 19.

The Group as a lessor

The subsidiary entered into a lease agreement for investment properties consisting of building's spaces with a term of 14 years.

Future minimum lease payments required under non-cancellable lease agreements as at 31 December 2023 and 2022 are as follows.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2023	2022
In up to 1 year	17,209	13,035
In over 1 year and up to 5 years	62,491	56,963
In over 5 years	135,573	151,346
Total	215,273	221,344

15. Goodwill

Since 4 May 2012, the Company had gained controls over Thai AirAsia Company Limited according to an "Amended and Restated Shareholders' Agreement. Then the Company had determined the fair value of identifiable assets acquired and liabilities assumed of Thai AirAsia Company Limited and compared it to the fair value of 51 % shareholding previously held before acquisition date in Thai AirAsia Company Limited. The excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition is recognised as goodwill in the consolidated statement of financial position.

Goodwill and landing rights are allocated to the cash-generating unit (CGU) identified according to business segment as follows.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Scheduled flight operations	
	2023	2022
Goodwill	8,824,826	8,824,826
Landing rights (Note 13)	14,856,000	14,856,000
	23,680,826	23,680,826



The Company has determined the recoverable amounts of its cash-generating unit based on fair value less costs to sell using market approach to measure fair value. The fair value hierarchy level was classified as a level 1. As at 28 December 2023, the Company's price per book value ratio (P/BV) was 3.04 times (2022: 4.68 times).

The management has considered that goodwill and landing rights are not impaired.

16. Other non-current financial assets

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2023	2022
Deposits for maintenance reserve fund	837,092	368,092
Aircraft and aircraft engine rental deposits - unrelated parties	527,441	523,173
Aircraft and aircraft engine rental deposits - related party	138,872	114,774
Rental deposits	86,629	78,888
Fuel deposits	62,097	25,237
Airport operation deposits	34,600	34,600
Fuel price swap deposits - related party	17,030	17,196
Other deposits	120,048	104,846
Total other non-current financial assets	1,823,809	1,266,806

17. Short-term borrowings from financial institutions

As at 31 December 2023, short-term borrowings from financial institutions were in the form of promissory notes and carried fixed interest and float interest at rates between 4.75 and 6.40 percent per annum. (2022: fixed interest at rates between 3.15 and 3.40 percent per annum).

18. Short-term debentures

During the year 2022, the subsidiary issued short-term unsubordinated and unsecured debentures, total of 750,000 units at a price of Baht 1,000 each which carry interest at a rate of 6.00 percent per annum. There was no credit rating of these debentures. The subsidiary fully paid for the principal amount of the short-term debenture on 2 October 2023.

19. Long-term borrowings from financial institutions

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2023	2022
Current portion of long-term borrowings from financial institutions	1,065,047	828,106
Less: deferred front-end fee	(6,527)	(154)
Net current portion of long-term borrowings	1,058,520	827,952
Long-term borrowings from financial institutions - net of current portion	2,260,889	2,561,095
Less: deferred front-end fee	(8,525)	(756)
Long-term borrowings - net of current portion	2,252,364	2,560,339
Total long-term borrowings from financial institutions	3,310,884	3,388,291

As at 31 December 2023 and 2022, the long-term borrowings are secured by the mortgages of the subsidiary's land and building constructed thereon and the pledges of the subsidiary's aircraft as described in Note 11 and Note 14.



Movements of long-term borrowings from financial institutions account during the years 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements

	2023	2022
Balance as at 1 January	3,388,291	4,035,902
Borrowing during the year	750,000	30,000
Payment for front-end fee	(17,500)	-
Amortisation of front end fee	3,358	154
Repayment of borrowings	(813,265)	(677,765)
Balance as at 31 December	3,310,884	3,388,291

On 31 January 2022, the subsidiary entered into an annotation to a long-term borrowing agreement to defer payment of some principal. Repayment of the deferred principal amounts is to begin from July 2021, with the final payment to be made within July 2025.

On 25 July 2022, the subsidiary entered into amendments of agreements as follows.

- a) An amendment to a long-term borrowing agreement to defer repayment of principal. The repayment of the deferred principal is to begin from January 2023, with the final repayment to be made within February 2026.
- b) An amendment to a promissory note agreement to lower interest rate, whereby the subsidiary was required to pay on a monthly basis and to fulfil the conditions stated in the agreement. If the subsidiary fails to comply with the conditions, the subsidiary need to pay interest at the original rate.

On 23 November 2022, the Company entered into an amendment of a long-term borrowing agreement to defer repayment of principal. The repayment of the deferred principal is to begin from April 2023, with the final repayment to be made within October 2029.

On 8 May 2023, the subsidiary has entered into an amendment agreement of the long-term loan agreement to change the interest rate of the loan and modify the terms of loan interest payment.

On 26 June 2023, the subsidiary entered into a long-term loan agreement with a financial institution to obtain a loan facility of Baht 1,000 million at a floating interest rate. As at 31 December 2023, a portion of long-term loan amounting to Baht 250 million has yet to be drawn down.

As of 31 December 2023, the subsidiary had long-term borrowings from several local financial institutions with terms between 3 years and 8 years (2022: 2 years and 8 years). Principal repayments are scheduled in monthly installments and interest is charged at both fixed and floating rates of between 2.90 percent and 9.10 percent per annum (2022: 2.75 percent and 6.15 percent per annum).

The borrowing agreement contains certain financial covenants relating to matters such as the maintenance of certain net interest bearing debt to equity ratios. As at 31 December 2023, the subsidiary was unable to comply with some of the covenants under the agreements for loans from a bank. However, the subsidiary has already obtained waiver of the covenants from a bank before 31 December 2023, hence, there is no reclassification of the outstanding balances of such long-term loans as at 31 December 2023.



20. Long-term debentures

As at 31 December 2023 and 2022, the outstanding balance of long-term debentures are summarised below.

Consolidated financial statements										
No.	Series	Maturity date	No. of units (Million units)	Par value (Baht)	Interest rate		Term of interest payment		Book value	
					2023 (% p.a.)	2022 (% p.a.)	2023	2022	2023 (Thousand Baht)	2022 (Thousand Baht)
1/2018	2	Entirely redeemed on 26 June 2023 (5 years)	1.0	1,000	2.95	2.95	Semi-annual	Semi-annual	-	1,000,000
1/2022	1	Entirely redeemed on 30 June 2024 (2 years)	1.4	1,000	6.80	6.80	Quarter	Quarter	1,431,500	1,431,500
1/2023	1	Entirely redeemed on 27 April 2025 (2 years)	1.5	1,000	7.00	-	Quarter	-	1,500,000	-
2/2023	1	Entirely redeemed on 28 March 2026 (2.5 years)	1.2	1,000	6.90	-	Quarter	-	1,200,000	-
Total									4,131,500	2,431,500
Less: Deferred debenture issuing costs									(31,098)	(13,945)
Debenture - net									4,100,402	2,417,555



(Unit: Thousand Baht)

Consolidated financial statements

	2023	2022
Current portion of long-term debentures	1,431,500	1,000,000
Less: deferred front-end fee	(4,559)	(243)
Total current portion of long-term debentures - net	1,426,941	999,757
Long-term debentures - net of current portion	2,700,000	1,431,500
Less: deferred front-end fee	(26,539)	(13,702)
Total non-current portion of long-term debentures - net	2,673,461	1,417,798
Total long-term debentures	4,100,402	2,417,555

Long-term debentures are unsubordinated and secured by the Company in Baht currency with fixed interest rates. Their fair value as at 31 December 2023 amounted to Baht 4,147 million (2022: Baht 2,399 million).

Movements of long-term debentures account during the years 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements

	2023	2022
Balance as at 1 January	2,417,555	2,799,152
Issuance during the period	2,700,000	1,431,500
Repayment of long-term debentures	(1,000,000)	(1,800,000)
Payment for front end fee	(34,503)	(18,336)
Amortisation of front-end fee	17,350	5,239
Balance as at 31 December	4,100,402	2,417,555

21. Convertible debentures

The movements of convertible debentures during the years 2023 and 2022 are as follows;

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance as at 1 January	1,200,000	2,200,000	1,200,000	2,200,000
Conversion to ordinary shares	(1,200,000)	(1,000,000)	(1,200,000)	(1,000,000)
Balance as at 31 December	-	1,200,000	-	1,200,000

The remaining convertible debenture holder exercised its right to convert into ordinary shares in accordance with the terms and conditions of the convertible debentures, with a amounting of Baht 1,200 million or 54.55% of the convertible debentures offered for sale. This represented 686 million ordinary shares which increased the Company's share capital from Baht 1,216 million to Baht 1,285 million and the premium on ordinary shares increased from Baht 14,668 million to Baht 15,800 million. The Company has completed the registration of change in paid-up capital with the Ministry of Commerce during October and November 2023.

22. Liabilities under lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Liabilities under lease agreements	42,287,262	45,599,890
Less: Deferred interest expenses	(7,886,625)	(9,143,432)
Total	34,400,637	36,456,458
Less: Portion due within one year	(5,788,942)	(6,331,068)
Liabilities under lease agreements - net of current portion	28,611,695	30,125,390



A maturity analysis of lease payments is disclosed in Note 38.2 under the liquidity risk.

Movements of liabilities under lease agreements account during the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Balance as at 1 January	36,456,458	37,475,179
Increase from new lease agreements during the year	1,288,815	2,972,216
Increase from lease remeasurements	908,761	682,628
Repayments for liabilities under lease agreements during the year	(5,672,690)	(5,447,100)
Payments for early termination of lease agreements	-	(2,562,841)
Accretion of interest	1,738,832	1,815,354
Impact of exchange rate difference	(319,539)	1,521,022
Balance as at 31 December	34,400,637	36,456,458

In 2022, the subsidiary early terminated 10 aircraft lease agreements which 4 aircraft lease agreements entered into the aircraft sale and leaseback transactions.

23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Compensations on employees' retirement		Other long-term employee benefits		Total	
	2023	2022	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of year	603,267	655,934	129,527	126,505	732,794	782,439
Included in profit or loss:						
Current service costs	81,452	99,712	24,266	28,292	105,718	128,004
Interest costs	17,929	14,297	3,182	2,603	21,111	16,900
Actuarial (gain) loss arising from						
- Demographic assumptions change	-	-	260	5,730	260	5,730
- Financial assumptions changes	-	-	(257)	(4,281)	(257)	(4,281)
- Experience adjustments	-	-	(41,456)	(29,322)	(41,456)	(29,322)
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
- Demographic assumptions change	55,055	70,604	-	-	55,055	70,604
- Financial assumptions changes	(8,505)	(111,289)	-	-	(8,505)	(111,289)
- Experience adjustments	(36,689)	(115,849)	-	-	(36,689)	(115,849)
Benefits paid during the year	(7,095)	(10,142)	-	-	(7,095)	(10,142)
Provision for long-term employee benefits at end of year	705,414	603,267	115,522	129,527	820,936	732,794



The subsidiary expects to pay Baht 48 million (2022: Baht 46 million) of long-term employee benefits during the next year.

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 13 years (2022: 13 years).

Significant actuarial assumptions are summarised below.

(Unit: % p.a.)

Consolidated financial statements

	2023	2022
Discount rate	2.94	2.84
Salary increase rate	4.00	4.00
Turnover rate	0.00 - 7.00	0.00 - 7.00

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

Consolidated financial statements

	2023		2022	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(84,088)	100,662	(71,202)	84,969
Salary increase rate	92,849	(78,866)	80,848	(68,609)
Turnover rate	(89,427)	75,664	(76,218)	66,612

24. Share capital

The Company increases its registered share capital and offer newly issued shares to existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering), at the offering price of Baht 1.75 per share, in total of 1,714,285,714 shares. The total value is Baht 3,000 million. The share capital increase of the Company was registered with the Ministry of Commerce on 19 January 2022.

The offering of newly issued ordinary shares of the Company to Private Placement total of 5,028,571,429 shares, shall be prohibited to trade on the Stock Exchange of Thailand for 1 year and will be due on 16 December 2022. The 2,257,000,000 shares of the Company have been pledged as collateral for loan with financial institution and the shares cannot be redeemed until the loan is fully repaid.

The movements of share capital and paid-up capital for the year ended 31 December 2023 and 2022 are as follows:

Consolidated and Separate financial statements

	Issued and paid-up capital			
	Authorised share capital	Number of ordinary shares	Ordinary shares	Premium on share capital
	Thousand Share	Thousand Share	Thousand Baht	Thousand Baht
Balance as at 1 January 2022	12,850,000	9,878,571	987,857	10,896,951
Increase from newly issued ordinary shares	-	1,714,286	171,429	2,828,571
Increase from the exercise of convertible debentures (Note 21)	-	571,429	57,143	942,857
Balance as at 31 December 2022	12,850,000	12,164,286	1,216,429	14,668,379
Balance as at 1 January 2023	12,850,000	12,164,286	1,216,429	14,668,379
Increase from the exercise of convertible debentures (Note 21)	-	685,714	68,571	1,131,429
Balance as at 31 December 2023	12,850,000	12,850,000	1,285,000	15,799,808

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Group 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.



26. Revenues from sales and services

Revenues from sales and services for the years 2023 and 2022 disaggregated by timing of revenue recognition and type of goods or services are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Revenue recognised over time				
Passenger service revenues	29,483,380	13,432,414	-	-
Baggage handling and other service fees	10,925,271	3,705,157	-	-
Freight revenues	193,975	97,135	-	-
Charter flight revenues	145,434	92,297	-	-
Advertising income	6,179	8,674	-	-
Management fee	-	-	25,000	25,000
Revenue recognised at a point in time				
In-flight revenues	487,221	217,610	-	-
Total revenues	41,241,460	17,553,287	25,000	25,000

27. Other income

	Consolidated financial statements		Separated financial statements	
	2023	2022	2023	2022
Gain on exchange rate	672,273	-	-	-
Unclaim airport charge	449,324	82,832	-	-
Gain on expired credit shell	279,195	2,479	-	-
Gain on derivatives	70,870	-	-	-
Gain from early terminate rental agreement of aircraft	-	422,907	-	-
Others	237,014	229,246	750	1,250
Total	1,708,676	737,464	750	1,250

28. Expenses by nature

Significant expenses classified by nature are as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Fuel costs	15,302,218	8,276,974	-	-
Repair and maintenance expenses	7,214,983	3,973,128	-	-
Depreciation and amortisation expenses	4,992,375	6,114,053	-	-
Salaries, wages and other employee benefits	4,242,874	2,946,261	11,360	11,480
Ramp and airport operating costs	3,940,649	1,471,790	-	-

29. Other expense

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Loss on expected credit losses	386,974	15,289	-	-
Loss on exchange	-	1,361,942	-	1
Loss on derivatives	-	98,046	-	-
Loss on disposals of aircraft, leasehold improvements and equipments	-	46,580	-	-
Total	386,974	1,521,857	-	1



30. Finance costs

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Interest expense on lease liabilities	1,729,836	1,836,350	-	-
Interest expense on borrowings	434,228	277,420	-	-
Others	127,163	105,729	20	20
Total	2,291,227	2,219,499	20	20

31. Income tax

Income tax expenses (revenue) for the years ended 31 December 2023 and 2022 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge for the year	-	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	60,827	(2,451,560)	716	-
Income tax expenses (revenue) reported in profit or loss	60,827	(2,451,560)	716	-

The amounts of income tax relating to each component of other comprehensive income for the years 2023 and 2022 are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Gain on cash flow hedges	-	5,701
Net change in cost of cash flow hedges	-	(1,256)
Actuarial gain (loss)	(1,972)	31,307
Income tax expense (revenue) recorded in other comprehensive income	(1,972)	35,752

The reconciliation between accounting profit (loss) and income tax expense (revenue) is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting profit (loss) before tax	526,646	(10,665,922)	3,581	(28,439)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	105,329	(2,133,185)	716	(5,688)
Reversal of previously recognised deferred tax assets	-	(1,110,332)	-	-
Write-down of previously recognised deferred tax asset	88,612	-	-	-
Previously deductible temporary difference that lossess that is used to reduce deferred tax expense	(96,982)	-	-	-
Tax losses and temporary difference for the year for which deterred tax assets were not recognised	15,199	5,687	-	5,687



(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Effects of:				
Promotional privileges (Note 32)	(36,454)	507,626	-	-
Non-deductible expenses	4,932	8,650	-	1
Additional expense deductions allowed	(19,809)	-	-	-
Revenue subject to tax	-	269,994	-	-
Total	(51,331)	786,270	-	1
Income tax expense (revenue) reported in profit or loss	60,827	(2,451,560)	716	-

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

Statements of financial position

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets				
Unused tax losses	3,087,618	3,095,727	5,692	6,408
Leases	1,745,462	1,818,039	-	-
Derivatives	-	214	-	-
Provision for long-term employee benefits	164,187	142,142	-	-
Total	4,997,267	5,056,122	5,692	6,408
Deferred tax liabilities				
Fair value of assets from business combination	(2,971,492)	(2,971,492)	-	-
Total	(2,971,492)	(2,971,492)	-	-
Net deferred tax assets	2,025,775	2,084,630	5,692	6,408

As at 31 December 2023, the Group has deductible temporary differences and unused tax losses totaling Baht 11,059 million (2022: Baht 11,699 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses of the Group amounting to Baht 10,808 million (2022: Baht 11,303 million) will expire by 2028 (2022: 2027).

32. Promotional privileges

As at 31 December 2023, the subsidiary received 3 certificates (2022: 5 certificates) of promotional privileges from the Board of Investment ("BOI") for air transportation business. The main privileges include exemption from payment of import duty on aircraft and related spare parts, and exemption from corporate income taxes for the promoted activities for periods of 5 years starting from the date on which the subsidiary started earning income from the promoted activities (commencing from 27 December 2011). To be entitled to the privileges, the subsidiary must comply with the conditions and restrictions provided in the promotional certificates. As at 31 December 2023, the subsidiary had 4 aircraft (2022: 9 aircraft) under such certificates of promotional privileges from the BOI.

33. Earnings (loss) per share

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

Diluted earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.



The following table sets forth the computation of basic and diluted earnings (loss) per share for year ended 31 December 2023 and 2022.

	Consolidated financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earning (loss) per share	
	For the year ended 31 December					
	2023	2022	2023	2022	2023	2022
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	465,819	(8,029,997)	12,290,626	11,602,838	0.0379	(0.6921)
Effect of dilutive potential ordinary shares						
Convertible debenture	-	-	-	-	-	-
Diluted earnings (loss) per share						
Profit (loss) attributable to ordinary shareholders assuming the conversion to ordinary shares	465,819	(8,029,997)	12,290,626	11,602,838	0.0379	(0.6921)
	Separate financial statements					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earning (loss) per share	
	For the year ended 31 December					
	2023	2022	2023	2022	2023	2022
	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Shares)	(Baht)	(Baht)
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	2,865	(28,439)	12,290,626	11,602,838	0.0002	(0.0025)
Effect of dilutive potential ordinary shares						
Convertible debenture	-	-	-	-	-	-
Diluted earnings (loss) per share						
Profit (loss) attributable to ordinary shareholders assuming the conversion to ordinary shares	2,865	(28,439)	12,290,626	11,602,838	0.0002	(0.0025)

Since the conversion of convertible debentures results in a decrease in loss per share for the year ended 31 December 2022. Therefore, the Group presented the diluted loss per share without accounting for the effect of conversion of the convertible debentures which potential convert to 685,714,287 ordinary shares in the calculation of diluted loss per share.



34. 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. The chief operating decision maker has been identified as the Board of Directors that makes strategic decisions.

For management purposes, the Group is organised into business units based on its services and have two reportable segments as follows:

- Schedule flight operations: the Group provides passenger air transportation services to routine destination for scheduled flight. The Group sells tickets through its distribution channels such as website, sale counter, travel agents, etc.
- Chartered flight operations: the Group provides passenger air transportation services to non-routine destinations. Flights are operated when there is a hiring from customers who normally are tourist agency companies.

Performance of each operating segment is measured by profit or loss from operation which is using the same basis that the Group measures its profit or loss from operation in the financial statements. Net gain on exchange rates, other income, finance cost and income tax are not allocated to each reporting segment.

The Group's total assets are joint assets that are used among segment. Hence, they are not allocated to each reporting segment.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Revenues and profit (loss) information regarding the Group's operating segments for the years 2023 and 2022 are as follows.

(Unit: Thousand Baht)

	Consolidated financial statements					Consolidated
	Scheduled flight operations	Charter flight operations	Other segments	Total segments	Adjustments and eliminations	
For the year ended 31 December 2023						
Revenues						
Revenues from sales and services from external customers	41,025,253	216,207	-	41,241,460	-	41,241,460
Intersegment revenues	-	-	25,000	25,000	(25,000)	-
Total revenues	41,025,253	216,207	25,000	41,266,460	(25,000)	41,241,460
Operating result						
Segment profit	1,364,177	96,513	2,610	1,463,300	-	1,463,300
Other income						1,708,676
Other expense						(386,974)
Finance income						32,871
Finance costs						(2,291,227)
Profit before income tax expense						526,646
Income tax expense						(60,827)
Profit for the year						465,819
Total assets						67,793,881



(Unit: Thousand Baht)

Consolidated financial statements

	Scheduled flight operations	Charter flight operations	Other segments	Total segments	Adjustments and eliminations	Consolidated
For the year ended 31 December 2022						
Revenues						
Revenues from sales and services from external customers	17,457,341	95,946	-	17,553,287	-	17,553,287
Intersegment revenues	-	-	25,000	25,000	(25,000)	-
Total revenues	17,457,341	95,946	25,000	17,578,287	(25,000)	17,553,287
Operating result						
Segment profit (loss)	(7,696,493)	37,105	(31,828)	(7,691,216)	-	(7,691,216)
Other income						737,464
Other expense						(1,521,857)
Finance income						29,186
Finance costs						(2,219,499)
Loss before income tax revenue						(10,665,922)
Income tax revenue						2,451,560
Loss for the year						(8,214,362)
Total assets						64,685,524

Geographic information

The Group operates and has operating hubs only in Thailand. As a result, all the revenues and assets as reflected in the financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2023 and 2022, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

35. Provident fund

The subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the subsidiary contribute to the fund monthly and the fund will be paid to employees upon termination in accordance with the fund of the subsidiary's rule. The contributions for the year 2023 amounting to approximately Baht 118 million (2022: Baht 80 million) were recognised as expenses.

36. Commitments and contingent liabilities

36.1 Building construction commitments

As at 31 December 2023, the subsidiary had capital commitments of Baht 3 million (2022: Baht 15 million) relating to the construction of a project's building.

36.2 Aircraft maintenance service commitments

The subsidiary has commitments under aircraft maintenance service agreements made with related companies and other aircraft lessors. The subsidiary agrees to pay aircraft maintenance service fees at the rates in USD currency stipulated in the agreements, which vary for each aircraft depending on flight hours and the age of the aircraft.



36.3 Service commitments

As at 31 December 2023, the subsidiary had significant service commitments as follows.

- 1) The subsidiary had commitments from using human resource, legal and other services with related subsidiary. The subsidiary was to pay the fees at the agreed rates. During the year ended 31 December 2023, the fees under this agreement amounted to Baht 343 million (2022: Baht 359 million).
- 2) The subsidiary had a commitment from using marketing, booking system and other services with related subsidiary. The subsidiary was to pay the fees depending on the rates stipulated in the agreements. During the year ended 31 December 2023, the fees under this agreement amounted to Baht 1,246 million (2022: Baht 563 million).
- 3) The subsidiary had a commitment from using data consultancy and management services with related companies. The subsidiary was to pay the fees at the agreed rates.

36.5 Guarantees

The subsidiary had commitments from letters of guarantee in respect of ground handling, technical support, purchase of aviation fuel and other flight operating activities including maintenance reserve fund in the ordinary course of business as follows.

(Unit: Million)

	Consolidated financial statement							
	2023				2022			
	USD	SGD	INR	Baht	USD	SGD	INR	Baht
Guarantees relating to flight operating activities	0.16	5.00	87.39	14.77	0.16	2.20	73.43	15.92
Guarantees relating to maintenance reserve fund	1.28	-	-	-	1.28	-	-	-
Total	1.44	5.00	87.39	14.77	1.44	2.20	73.43	15.92
Total equivalent to Thai Baht	49.36	131.33	38.73	14.77	49.86	57.24	32.80	15.92

36.4 Other commitments

The subsidiary had the future minimum lease payments in respect of short-term leases, insurance agreements and other service agreements as follows.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Payable		
In up to 1 year	222,228	95,596
In over 1 year and up to 5 years	2,204	25,199
Total	224,432	120,795



36.6 Litigations

As 31 December 2023, the subsidiary was served with summons and copies of complaints in 39 civil lawsuits (2022: 10 civil lawsuits) over terminations and breaches of contract, whereby the subsidiary was required to pay a compensation amounting to Baht 3 million (2022: Baht 19 million). Currently, the court proceedings are at a preliminary stage. However, the subsidiary's management believed that all the evidence available will enable it to dispute the claims and did not set up any provisions.

37. Fair values hierarchy

As at 31 December 2023 and 2022, the subsidiary had assets and liabilities in US Dollar and Baht currencies disclosed at fair value which the hierarchy is level 2 as follows.

(Unit: Thousand)

	Consolidated financial statements			
	2023		2022	
	Contract currency		Contract currency	
	USD	Baht	USD	Baht
Assets measured or disclosed fair value				
Derivatives				
Interest rate swap agreements	-	15	-	1,457
Liabilities measured or disclosed fair value				
Derivatives				
Interest rate swap agreements	-	271	-	3,299
Foreign exchange forward contracts	3,222	-	72,505	-
Long-term borrowings from financial institutions	-	3,310,884	-	3,388,291
Long-term debentures	-	4,146,766	-	2,398,552

During the years 2023 and 2022, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers within the fair value hierarchy.

38. Financial instruments

38.1 Derivatives and hedge accounting

The subsidiary is holding the following derivatives as at 31 December 2023 and 2022:

(Unit: Million Baht)

	Consolidated financial statements	
	2023	2022
Derivative assets		
Derivatives assets designated as hedging instruments		
Interest rate swap agreements	-	1
Total derivative assets	-	1
Derivative liabilities		
Derivatives liabilities designated as hedging instruments		
Interest rate swap agreements	-	3
Derivatives liabilities not designated as hedging instruments		
Foreign exchange forward contracts	3	73
Total derivative liabilities	3	76



Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally 12 months.

Derivatives designated as hedging instruments

Cash flow hedges

Interest rate risk

The Group entered into interest rate swap agreements to hedge against fluctuations in the floated interest rate from aircrafts' leases and loan agreement. The Group hedged at fixed rates from 4.69% to 4.86% per annum (2022: 4.69% to 4.86% per annum) via cross currency swap agreements and interest rate swap agreements.

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 fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has

established a hedge ratio of 1:1 as the underlying risk of the interest rate swap is identical to the hedged risk component.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the interest rate curves applied to discount the hedged item and hedging instrument
- Differences in the timing of cash flows of the hedged item and hedging instrument

As at 31 December 2023, the Group has interest rate swaps with nominal amounts of Baht 251 million, that are designated as hedging instruments to hedge cash flows (2022: Baht 464 million).

The Group is holding the following derivatives as hedging instruments as at 31 December 2023 and 2022 are, as follow:

	Consolidated financial statements			
	Maturity			
	Less than 1 year	1 to 5 years	More than 5 years	Total
For the year ended 31 December 2023				
Interest rate swap agreements (for lease liabilities)				
Notional amount (Million Baht)	251	-	-	251
Average fixed rate (%)				4.69 - 4.86
Book value (Million Baht)	-	-	-	-
For the year ended 31 December 2022				
Interest rate swap agreements (for lease liabilities)				
Notional amount (Million Baht)	213	251	-	464
Average fixed rate (%)				4.69 - 4.86
Book value (Million Baht)	1	1	-	2

The impact of hedged items on the statement of financial position as at 31 December 2023 and 2022 are as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve				Cost of hedging reserve	
			Continuing hedges		Discontinued hedges			
	2023	2022	2023	2022	2023	2022	2023	2022
Liabilities under lease agreements	-	(5)	-	-	-	-	-	-



The impact of the hedging instruments on the statement of financial position as at 31 December 2023 and 2022, the effect of the cash flow hedge in the statement of comprehensive income for the years ended 31 December 2023 and 2022 are, as follows:

(Unit: Million Baht)

Consolidated financial statements										
	Notional amounts (Million US dollar)	Notional amounts (Million Baht)	Carrying amount	Changes in fair value used for measuring Ineffectiveness	Effectiveness recognised in equity	Ineffectiveness recognised in profit or loss	Line item in profit or loss	Cost of hedging recognised in equity	Amount of cash flow hedge reserve reclassified to profit or loss	Line item in profit or loss
For the year ended 31 December 2023										
Foreign exchange forward contracts -										
hedge the risk arising from lease liabilities	6	-	(3)	(69)	-	(69)	Other revenue	-	-	Finance costs
Interest rate swap agreements -										
hedge the risk arising from lease liabilities	-	251	-	(2)	-	(2)	Other revenue	-	-	Finance costs
Total	6	251	(3)	(71)	-	(71)		-	-	
For the year ended 31 December 2022										
Foreign exchange forward contracts -										
hedge the risk arising from lease liabilities	25	-	(73)	73	-	73	Other expenses	-	-	Finance costs
Cross currency swap agreements -										
hedge the risk arising from lease liabilities	-	-	-	(42)	-	(42)	Other expenses	(5)	86	Finance costs
Interest rate swap agreements -										
hedge the risk arising from lease liabilities	-	463	(2)	(48)	-	(48)	Other expenses	-	29	Finance costs
Total	25	463	(75)	(17)	-	(17)		(5)	115	



38.2 Financial risk management objectives and policies

Financial Instruments principally comprise cash and cash equivalents, trade and other receivables, amounts due from related parties, trade payables, other payables, amounts due to related parties, short-term borrowings from financial institutions, short-term debentures, long-term borrowings from financial institutions, long-term debentures, 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 deposits with banks and financial institutions, trade receivables, deposits for lease of aircraft 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.

The Group manages the credit risk 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. 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.

The Group generally has no concentration of credit risk arising from trade receivables.

Market risk

There are 3 types of market risk comprising fuel price risk, interest rate risk and currency risk. The Group enters into a variety of derivatives to manage its risk exposure, including:

- Interest rate swaps to mitigate the risk of rising interest rates
- Cross currency swaps to mitigate the risk of rising interest rates and foreign currency rates

Fuel price risk

Fuel price fluctuation depends on demand and supply 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 2023 and 2022, the subsidiary has not obligations from fuel price hedging.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings from financial institutions, short-term debentures, long-term borrowings from financial institutions, long-term debentures and lease liabilities. 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 uses interest rate swap agreements as a risk management instrument for the future interest payments on certain long-term borrowings and lease liabilities that carry interest at floating rates.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below.

(Unit: Million Baht)

Consolidated financial statement					
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
					(% p.a.)
For the year ended 31 December 2023					
Financial assets					
Cash and cash equivalents	-	655	630	1,285	0.04 - 0.70
Trade and other receivables	-	-	1,199	1,199	-
Amounts due from related parties	-	-	6,331	6,331	-
Other current financial assets	-	54	17	71	3.02 - 12.00
Other non-current financial assets	-	666	1,158	1,824	2.29 - 7.23
	-	1,375	9,335	10,710	
Financial liabilities					
Short-term borrowings from financial institutions	750	500	-	1,250	4.75 - 6.40
Trade payables	-	-	1,893	1,893	-
Other payables	-	-	275	275	-
Amounts due to related parties	-	-	1,739	1,739	-
Long-term borrowings from financial institutions	938	2,373	-	3,311	2.90 - 9.10
Long-term debentures	4,100	-	-	4,100	6.80 - 7.00
Liabilities under lease agreements	33,325	1,076	-	34,401	2.29 - 12.00
	39,113	3,949	3,907	46,969	



(Unit: Million Baht)

Consolidated financial statement

	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
					(% p.a.)
For the year ended 31 December 2022					
Financial assets					
Cash and cash equivalents	-	590	208	798	0.04 - 0.35
Trade and other receivables	-	-	854	854	-
Amounts due from related parties	-	-	2,540	2,540	-
Other current financial assets	-	93	92	185	4.97 - 5.72
Other non-current financial assets	-	640	627	1,267	2.29 - 7.23
	-	1,323	4,321	5,644	
Financial liabilities					
Short-term borrowings from financial institutions	750	-	-	750	3.15 - 3.40
Short-term debenture	743	-	-	743	6.00
Trade payables	-	-	1,464	1,464	-
Other payables	-	-	393	393	-
Amounts due to related parties	-	-	1,422	1,422	-
Long-term borrowings from financial institutions	1,485	1,903	-	3,388	2.75 - 6.15
Long-term debentures	2,418	-	-	2,418	2.95 - 6.80
Liabilities under lease agreements	35,283	1,173	-	36,456	3.09 - 8.61
	40,679	3,076	3,279	47,034	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit (loss) before tax and equity to a reasonably possible change in interest rates on that portion of floating rate affected as at 31 December 2023 and 2022, with all other variables held constant.

Currency	Consolidated financial statement					
	Increase/decrease (decimal)		Effect on profit (loss) before tax (Thousand Baht)		Effect on equity (Thousand Baht)	
	2023	2022	2023	2022	2023	2022
Baht	+0.6	+ 0.6	13,742	10,862	-	-
	- 0.6	- 0.6	(13,742)	(8,297)	-	-
US dollar	+0.6	+ 0.6	899	-	-	-
	- 0.6	- 0.6	(886)	-	-	-

This information is not a forecast or prediction of future market conditions and should be used with care.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from cash and cash equivalents, trade and other receivables, amounts due from related parties, account payables, other payables, amounts due to related parties and lease liabilities that are denominated in several foreign currencies.

The Group has a natural hedge to the extent that payments for foreign currency payables are matched against receivables denominated in the same foreign currency. Moreover, the Group uses forward foreign exchange contract to hedge its exposure to foreign currency risk for payments to be settled in foreign currencies.

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit (loss) before tax and equity to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit (loss) before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2023 and 2022. The Group's exposure to foreign currency changes for all other currencies is not material.



Consolidated financial statements

(Unit: Million Baht)

Currency	Increase/decrease (%)		Effect on profit (loss) before tax (Thousand Baht)		Effect on equity (Thousand Baht)	
	2023	2022	2023	2022	2023	2022
	US dollar	+ 5	+ 5	2,707,240	2,395,579	-
	- 5	- 5	(2,707,240)	(2,395,579)	-	-

This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Million Baht)

Consolidated financial statements

	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
For the year ended 31 December 2023					
Non-derivatives					
Short-term loans from financial institutions	-	1,250	-	-	1,250
Trade and other payables	2,169	-	-	-	2,169
Amounts due to related parties	1,739	-	-	-	1,739
Accrued expenses	6,615	-	-	-	6,615
Long-term loans	-	1,204	2,453	-	3,657
Debentures	-	1,668	2,838	-	4,506
Liabilities under lease agreements	-	7,418	22,623	12,246	42,287
Total non-derivatives	10,523	11,540	27,914	12,246	62,223
Derivatives					
Derivative liabilities: net settled	-	3	-	-	3
Total derivatives	-	3	-	-	3

Consolidated financial statements

For the year ended 31 December 2022

Non-derivatives

	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Short-term loans from financial institutions	-	752	-	-	752
Short-term debentures	-	784	-	-	784
Trade and other payables	1,856	-	-	-	1,856
Amounts due to related parties	1,422	-	-	-	1,422
Accrued expenses	4,868	-	-	-	4,868
Long-term loans	-	937	2,539	198	3,674
Debentures	-	1,141	1,480	-	2,621
Liabilities under lease agreements	-	8,399	32,790	14,356	55,545
Total non-derivatives	8,146	12,013	36,809	14,554	71,522

Derivatives

Derivative liabilities: net settled	-	74	1	-	75
Total derivatives	-	74	1	-	75

38.3 Fair values of financial instruments

The financial instruments which the fair value is not expected to be materially different from the amounts presented in the statement of financial position since they are short-term in nature or carrying interest at rates close to the market interest rates are cash and cash equivalents, trade and other receivables, amounts due from related parties, trade payables, other payables, amounts due to related parties and short-term borrowings from financial institutions.



As at 31 December 2023 and 2022, the estimated fair value of long-term financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows.

(Unit: Million Baht)

	Consolidated financial statements			
	2023		2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Long-term borrowings from financial institutions	3,311	3,311	3,388	3,388
Long-term debentures	4,100	4,147	2,418	2,399

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- a) For long-term borrowings from financial institutions carrying fixed interest rates, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the borrowings with similar terms and conditions.
- b) For long-term borrowings from financial institutions carrying floating interest rates, their fair value is estimated by book values in the statement of financial position.
- c) For long-term debentures, fair value is derived from quoted market prices of the Thai Bond Market Association.
- During the current year, there were no transfers within the fair value hierarchy.

38.4 Offsetting of financial instruments

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements or similar agreements but not offset, as at 31 December 2023 and 2022

(Unit: Million Baht)

	Consolidated financial statements		
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position
As at 31 December 2023			
Amounts due from related parties	8,887	(2,556)	6,331
Amounts due to related parties	(2,202)	463	(1,739)
	6,685	(2,093)	4,592

(Unit: Million Baht)

	Consolidated financial statements		
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position
As at 31 December 2022			
Amounts due from related parties	2,546	(6)	2,540
Amounts due to related parties	(1,706)	284	(1,422)
	840	278	1,118

Gross amounts not offset in the statement of financial position reflect amounts subject to conditional offsetting arrangements.



39. Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

In order to obtain the promotional privileges from the Board of Investment, the Group has also to maintain minimum capital investment as specified in each certificate.

40. Reclassifications

The Group reclassified certain amounts in the statement of financial position for the year ended 31 December 2022 to conform to the current year's classification, as follows.

(Unit: Thousand Baht)

	Consolidated financial statements	
	As reclassified	As previously reported
Other non-current financial assets	1,266,806	898,714
Aircraft maintenance reserves	2,687,676	3,055,768
Unearned income	4,020,496	4,750,937
Accrued expenses	4,868,228	4,137,787

The reclassification had no effect to previously reported shareholders' equity.

41. Approval of financial statements

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 22 February 2024.



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