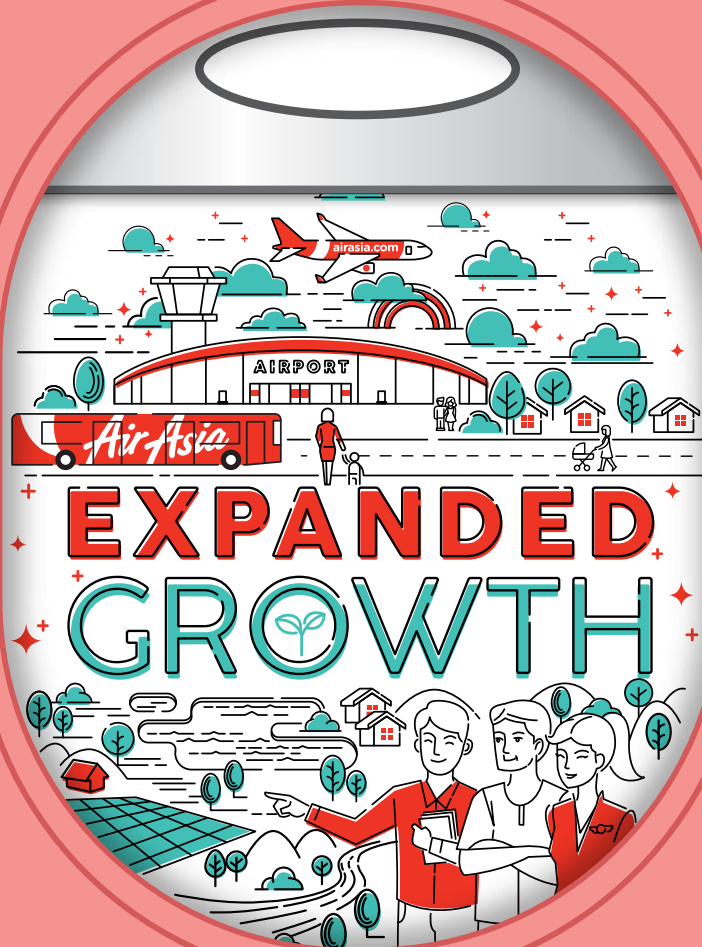


ASIA AVIATION

Public Company Limited

*AirAsia*



**ANNUAL REPORT | 2018**  
**รายงานประจำปี | 2018**  
บริษัท เอเชีย เอวิเอชั่น จำกัด (มหาชน)

# คนเข้มงวด คนนี้แหละ ที่ใส่ใจผู้โดยสารทุกคน



## ใส่ใจมากกว่าที่เห็น เพราะทุกคนคือคนสำคัญ

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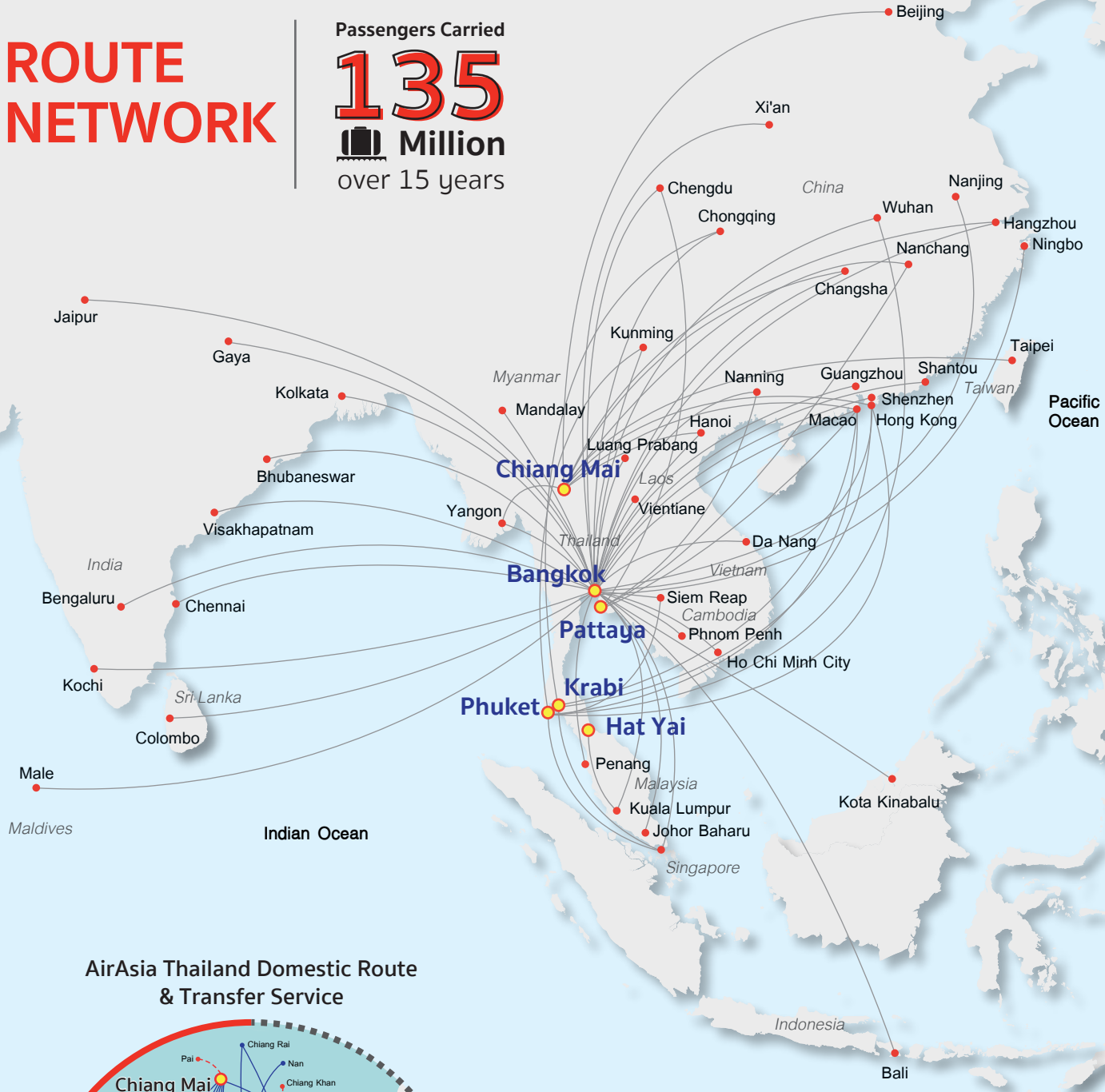
3



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# ROUTE NETWORK

Passengers Carried  
**135**  
 Million  
 over 15 years



## AirAsia Thailand Domestic Route & Transfer Service



## Thai AirAsia Hub in Thailand

- Don Mueang International Airport
- Phuket International Airport
- Chiang Mai International Airport
- Krabi International Airport
- U-Tapao International Airport
- Hat Yai International Airport
- International Route
- Domestic Route
- - - City Transfer
- - - Island Transfer

# KEY FINANCIAL AND OPERATING DATA

No. **1** Airline of Thailand

Passenger Carried



Load Factor



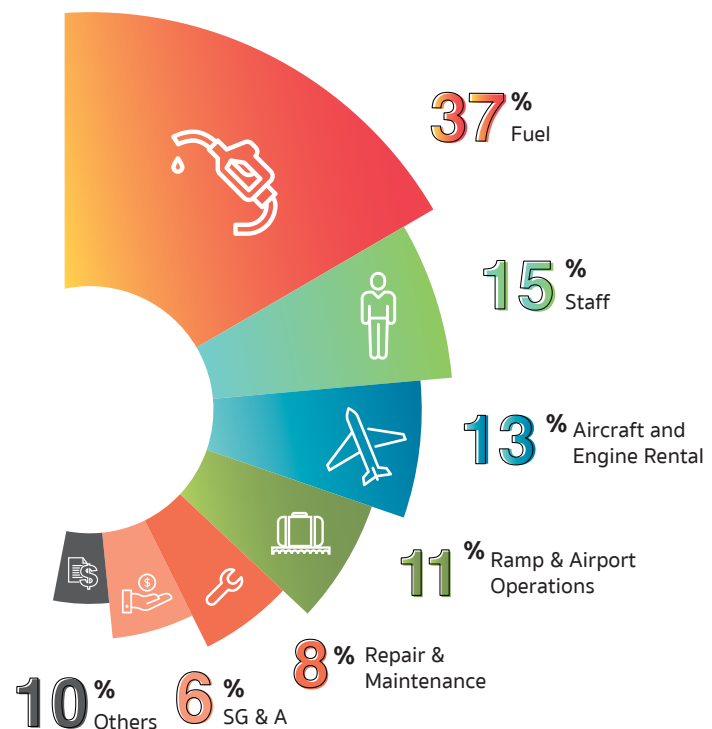
On-time Performance



Aircraft Utilisation



## 2018 COST BREAKDOWN





## FINANCIAL HIGHLIGHTS

(Unit: Million Baht)

For the year ended 31 December	2016 <sup>(1)</sup>	2017 <sup>(1)</sup>	2018
<b>Statement of Comprehensive Income</b>			
Revenues from sales and services	32,428	36,003	38,905
Profit for the year	3,398	2,685	127
Profit attributable to owners of the company	1,869	1,477	70
<b>Statement of Financial Position</b>			
Total assets	56,599	62,774	61,747
Total liabilities	26,479	31,321	33,124
Equity attributable to owners of the company	21,270	22,006	20,455
Total equity	30,120	31,453	28,623
<b>Statement of Cash Flows</b>			
Net cash flows from (used in) operating activities	4,382	5,105	2,869
Net cash flows from (used in) investing activities	(2,786)	(2,819)	(1,733)
Net cash flows from (used in) financing activities	(3,098)	(1,563)	(2,288)
Net increase (decrease) in cash and cash equivalents	(1,502)	723	(1,152)
<b>Key Financial Ratios</b>			
Net profit margin (%) <sup>(2)</sup>	5.8	4.1	0.2
Return on assets (%) <sup>(3)</sup>	3.4	2.5	0.1
Return on equity (%) <sup>(4)</sup>	9.0	6.8	0.3
Basic earnings per share (Baht)	0.3855	0.3046	0.0144

### Remark

- (1) Reclassifications of the comprehensive income statements
- (2) Net profit margin = Profit attributable to owners of the company / Revenues from sales and services
- (3) Return on assets = Profit attributable to owners of the company / Total assets (Average)
- (4) Return on equity = Profit attributable to owners of the company / Equity attributable to owners of the company (Average)

## STOCK INFORMATION

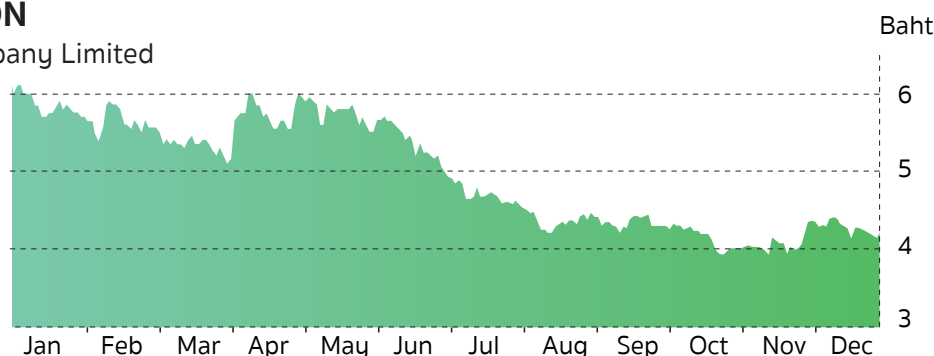
Asia Aviation Public Company Limited

**4.20**

As of December 28, 2018

**3.92-6.10**

52 weeks' range



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the Chairman of the Board

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GRI Content Index

# 2018 HIGHLIGHTED ACCOLADES



## OAG Punctuality League 2018

Top 8 LCC Airline by On-Time Performance



## World Travel Awards (WTA) 2018

World's Leading Low-Cost Airline for the 6<sup>th</sup> year running, WTA Grand Final

World's Leading Low-Cost Airline Cabin Crew, WTA Grand Final

Asia's Leading Low-Cost Airline at WTA Asia and Australia



## TTG Awards

Best Asian Low Cost Carrier



## Asean Business Awards

Priority Integration Sector



## Thailand Corporate Excellence Awards

Marketing Excellence Award



## Zocial Awards

Best Brand Performance Awards (Airline)



## Skytrax

AirAsia bagged "World's Best Low Cost Airline" for the 10<sup>th</sup> Consecutive Year and "Best Low Cost Airline in Asia" awards from Skytrax.



## SET Awards 2018

Outstanding Investor Relations Award

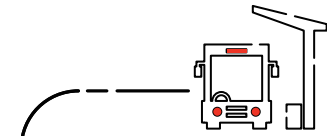
# From community to airport

Create new opportunities.

Ease all travels.

Guarantee convenience and trusted quality,

**Everyone can fly** with  
the world-class standards.





# From airport to community

Nurture relationship.

Care for beyond expectation.

Offer various products and services  
at your desired destinations.



# From community to learning

Develop well-balanced economy,  
society and environment.

Promote learning for communities.

Foster sustainable tourism.



# MESSAGE FROM THE CHAIRMAN OF THE BOARD

Thai AirAsia's key thrust in 2018 was "building sustainable growth" because while we have overcome a range of challenges to maintain our leading status in the low-fare carrier segment and international acceptance, we cannot rest on our laurels, as there is no knowing what challenges lie ahead, be they volatility in the aviation industry or economic tumults. Resilience to all problems will allow us to maintain confidence among our staff, customers, investors and all stakeholders.

What we have always prioritised and sought to infuse into our operations has been that we are a low-fare airline with worldclass standards. It has given us great pride that AirAsia was named the World's Best Low-Cost Airline by Skytrax for the 10<sup>th</sup> year running and to receive other accolades such as the outstanding Investor Relations by a Listed Company from SET Awards 2018 and the Marketing Excellence Award from the Thailand

Management Association (TMA). Such recognitions keep us developing in every dimension.

Service is another integral reason why our brand remains so well trusted. Thai AirAsia has been ranked 8<sup>th</sup> in the world for on-time service, the highest rank among Thai low-fare carriers. The fact that we have maintained such careful safety standards was no overnight achievement but rather the result of a longstanding culture admirably kept by all our executives and staff.

The year 2018 was another satisfactory year for Thai AirAsia in spite of the external matters that impacted our industry. We stood strong, earned good returns and created a range of business opportunities for ourselves. These achievements are affirmations that Thai AirAsia remains on the right path, to which I thank all of our executives and personnel for their hard work and successes.

Thai AirAsia's key thrust in 2018 was "building sustainable growth" because while we have overcome a range of challenges to maintain our leading status in the low-fare carrier segment and international acceptance, we cannot rest on our laurels, as there is no knowing what challenges lie ahead.



Mr. Vichate Tantiwanich  
Chairman of the Board

# MESSAGE FROM THE EXECUTIVE CHAIRMAN



In modern business, we cannot simply care for our own interests without regard for the market as a whole. If we were to do so, our leadership would eventually lead to stagnation.

  
Mr. Tassapon Bijleveld  
Executive Chairman

Serving as the Executive Chairman of the company has been a real challenge for me but I have taken comfort in knowing that our company has someone who has been with us from the beginning and been a confidant to mine like Santisuk Klongchaiya, our former Director of Commercial, as our Chief Executive Officer. Mr. Santisuk is a seasoned management and a proficient professional. At the same time, I haven't gone anywhere far and continue to seek new opportunities for our organisation as a whole, especially in terms of making it the centre of the aviation business in Asean and Asia, making Thailand a major flight base.

In modern business, we cannot simply care for our own interests without regard for the market as a whole. If we were to do so, our leadership would eventually lead to stagnation. In the past, it was all about attracting more tourists and how much revenue they could generate. But now we need to look further and create sustainable strength, which means creating careers, opportunities and disseminating more knowledge

to the Thai public and throughout our industry, so that it may compete at the regional and global levels. This development is especially necessary for strategic areas that have high potential.

An opportunity we have seen as a direct result of Thailand's economic development policy has been that the Kingdom can be more than a transit location and is actually ready to become a centre for various aspects of investments. U-Tapao Airport, for example, can be transformed into a world-class aircraft maintenance centre. Development of aviation workforce can be boosted by setting up a national training academy, and not to mention many other development plans that can be achieved in the future.

The mission for Thai AirAsia now, apart from growing our business to achieve target, is to reiterate our commitment to driving the aviation industry and Thailand's economy forward as these are endeavors I know will prove worthwhile for our company.

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Thai AirAsia is the one true leader in low-fare air travel, which is why from the very beginning, efficient capital management and constant development have been ingrained in our blood. We believe thorough consideration and careful decision-making can help reduce costs, while new ideas and approaches to managing the business can lead to an endless supply of new opportunities.

In 2018, we challenged ourselves by taking on new and varied marketing methods including devoting great importance to the drivers of our organisation, our "employees". We started by empowering our employees and boosting their happiness so that they would be ready for work. It can be seen now that our employees have adopted our unique values, or as we call them the 4 Sor which covers sanook (fun), style, synergy and sustainability. Their adoption of this concept has created a strong image for our organisation as it has enriched how our employees deliver the products and services. Our employees are our capital and by enhancing their capabilities, we improve our drive towards sustainability.

It was our unity that allowed us this year to overcome challenges such as the heightened global fuel price and a slump in Chinese tourists to Thailand, and instead find new opportunities in the Indian and CLMV markets. By the end of 2018, Thai AirAsia had served 21.57 million passengers with a Load Factor average of 85 percent and increased its fleet to 62 aircraft. At the start of 2019, we added Chiang Rai as our 7<sup>th</sup> domestic flight hub after Bangkok, Phuket, Chiang Mai, Krabi, U-Tapao and Hat Yai. Most importantly, we all continue to be energised and steady on the course of growing Thai AirAsia for years to come.

The year 2019 marks Thai AirAsia's the 16<sup>th</sup> year of operation and we are confident that we will continue to stride forward with strength. We are always evaluating the health of our business and make our sustainability reports the public knowledge, preparing us to tackle any situation that may arise. Allow me to assure you that Thai AirAsia continues to be a worthy company for investment with a bright future of growth and thank you for joining us on our journey.



It was our unity that allowed us this year to overcome challenges such as the heightened global fuel price and a slump in Chinese tourists to Thailand, and instead find new opportunities in the Indian and CLMV markets.



**Mr. Santisuk Klongchaiya**  
Chief Executive Officer



# BOARD OF DIRECTORS AND MANAGEMENT TEAM

Asia Aviation Public Company Limited



- 1. Mr. Vichate Tantiwanich**  
Chairman of the Board/ Chairman of the Audit Committee/ Independent Director
- 2. Mr. Nuttawut Phowborom**  
Audit Committee/Independent Director
- 3. Mr. Veerayooth Bodharamik**  
Audit Committee/Independent Director
- 4. Mr. Tassapon Bijleveld**  
Director / Executive Chairman
- 5. Gp. Capt. Tanapat Ngamplang**  
Director



- 6. Mr. Santisuk Klongchaiya**  
Director / Chief Executive Officer
- 7. Mr. Preechaya Rasametanin**  
Director / Director of Engineering
- 8. ML. Bovornvadep Devakula**  
Director / Director of Business Development
- 9. Mr. Phairat Pornpathananagoon**  
Director
- 10. Mr. Santhat Sanguandikul**  
Chief Financial Officer

# BOARD OF DIRECTORS

Thai AirAsia Company Limited



**1. Mr. Vichate Tantiwanich**  
Chairman of the Board/  
Chairman of the Audit Committee/  
Independent Director

**2. Mr. Nuttawut Phowborom**  
Audit Committee/  
Independent Director

**3. Mr. Tassapon Bijleveld**  
Director

**4. Dato' Mohamed Khadar Bin Merican**  
Director

**5. Mr. Rozman Bin Omar**  
Director



**6. Mr. Santisuk Klongchaiya**  
Director

**7. Datuk Kamarudin Bin Meranun**  
Director

**8. Mrs. Pattra Boosarawongse**  
Director

**9. Mr. Phairat Pornpathananagoon**  
Director

# MANAGEMENT TEAM

Thai AirAsia Company Limited



**1. Mr. Tassapon Bijleveld**

Executive Chairman

**2. Mr. Santisuk Klongchaia**

Chief Executive Officer

**3. Mr. Preechaya Rasametanin**

Executive Vice President

**4. M.L. Bovornovadep Devakula**

Executive Vice President

**5. Mr. Santhat Sanguandikul**

Chief Financial Officer

**6. Gp. Capt. Surapun Patoomwat**

Head of Flight Operations

**7. Mr. Banyat Hansakul**

Head of Engineering

**8. Mrs. Thiladee Pantumchinda**

Head of People Department

**9. Miss Witchunee Kuntapeng**

Head of Guest Service

**10. Mr. Pipat Khunprakan**

Head of Innovation Commercial and Technology

**11. Mr. Thatri Kwansang**

Head of Safety

**12. Mr. Chaiwut Atthawethworawuth**

Head of Government Relations

**13. Miss Nattinee Tawanchulee**

Head of Commercial

**14. Miss On-anong Methapipatkul**

Head of Inflight Services

**15. Miss Topaz Subunruk**

Head of Sustainability and Communications

**16. Mr. Chatupong Hongwiset**

Head of Ramp and Ground Service Equipment



# PUBLIC RELATIONS ACTIVITIES 2018



## 10 Years Running! World's Best Low-Cost Airline by Skytrax (2009-2018)

AirAsia has been named by Skytrax as the World's Best Low-Cost Airline for the 10<sup>th</sup> year in a row and also clinched Asia's Best Low-Cost Airline award. The airline is also taking the award for the World's Leading Low-Cost Airline for the sixth year running and winning the award for World's Leading Low-Cost Airline Cabin Crew for the second time in a row from the World Travel Awards Grand Final 2018 (WTA).



## Strengthen Regional Flight Hubs, Expand Network

AirAsia strengthened its capabilities as well as supported economic opportunities beyond Bangkok by adding inter-regional connections between both domestic and international destinations, linking Chiang Mai Airport to Taipei of Taiwan, Hanoi of Vietnam and Beijing of China; alongside Phuket-Hong Kong, Phuket-Kunming, Krabi-Hong Kong, Krabi-Macau and Khon Kaen-U-Tapao.



## 4 New Routes in South Asia, Attracting Travellers to Thailand

AirAsia has continued to penetrate the South Asian markets, adding 4 direct flights between Don Mueang Airport and the cities of Gaya, Visakhapatnam and Bhubaneswar in India and Colombo in Sri Lanka. The airline has planned to stimulate tourism capability in the four cities as it foresees major opportunity and high demand for air travel to Thailand.



## "Santisuk Klongchaiya" Named New CEO as "Tassapon" Became Executive Chairman

Thai AirAsia announced Tassapon Bijleveld would take the post of Executive Chairman overseeing the overall management and seeking new business opportunities. While Santisuk Klongchaiya, then Director of Commercial and a founding member of the company, was promoted as the company's Chief Executive Officer with a focus on operational agility and sustainable growth.



## AirAsia Santan Brings New Flavours to the Skies

In-flight meal guru AirAsia joined hands with bakery guru After You to create special menus for passengers, introducing new flavours each quarter to fascinate passengers and grow ancillary revenue such the 2018 hits After You Hokkaido Lava Toast and Soufflé Pancake.



## "Truly Low Fares, Trust Quality" Flea Market

AirAsia introduced "Truly Low Fares, Trusted Quality" flea market to convey its brand and promote sales, inviting university students to showcase their creativity, receive career guidance, and support the Journey D sustainable community tourism program, hosting the markets at Chiang Mai University and Thammasat University.

## Celebrating 500 Million Passengers Served

Throughout 16 years of service, AirAsia has flown over 500 million passengers to more than 140 destinations. AirAsia marked the milestone and thanked its loyal customers with a celebration at Central Plaza Ladprao in Thailand with the worldwide promo, underlining its role in piloting the Asean aviation industry forward and connecting the region's people, communities and economic opportunities.



# INVESTOR RELATIONS ACTIVITIES 2018

**5 January 2018**

AAV OPEN HOUSE IN 2018  
At Grand Hyatt Erawan, Bangkok

**9 January 2018**

DBS PULSE OF ASIA CONFERENCE  
At the Fullerton Hotel, Singapore

**25 January 2018**

J.P. MORGAN THAILAND  
CEO-CFO CONFERENCE  
At St Regis, Bangkok



**22 February 2018**

FY2017 AAV  
RESULTS BRIEFING  
At Grand Hyatt Erawan,  
Bangkok

**6 February 2018**

LOCAL NON-DEAL ROADSHOW WITH  
BUALUANG SECURITIES,  
In Bangkok

**21 February 2018**

FY2017 AAV RESULTS  
ANNOUNCEMENT

**9 April 2018**

NON-DEAL ROADSHOW WITH  
CITI SECURITIES,  
In Singapore

**24 April 2018**

2018 ANNUAL GENERAL  
MEETING OF SHAREHOLDERS  
At Amari Hotel Donmueang,  
Bangkok

ประชุม годоводный отчет 2561  
วิเอชั่น จำกัด (มหาชน)  
 เมษายน 2561



**11 May 2018**

The 1Q2018 AAV RESULTS  
ANNOUNCEMENT

**14 May 2018**

The 1Q2018 AAV  
RESULTS BRIEFING  
At Grand Hyatt Erawan, Bangkok

**15 May 2018**

DBACCESS ASIA CONFERENCE  
At Marina Bay Sands, Singapore



**17 May 2018**

LOCAL FIXED INCOME INVESTORS  
NON-DEAL ROADSHOW  
At Grand Hyatt Erawan,  
Bangkok

**12 July 2018**

LOCAL NON-DEAL ROADSHOW -  
WITH SCB SECURITIES  
In Bangkok

**23 July 2018**

NON-DEAL ROADSHOW WITH DBS  
VICKERS SECURITIES  
In Hong Kong

**9 August 2018**

The 2Q2018 AAV RESULTS  
ANNOUNCEMENT

**10 August 2018**

The 2Q2018 AAV  
RESULTS BRIEFING  
At Grand Hyatt Erawan,  
Bangkok

**30 August 2018**

THAILAND FOCUS 2018  
At Grand Hyatt Erawan,  
Bangkok

**11 October  
2018**

THAI TOURISM DAY  
Eastin Grand Hotel Sathorn, Bangkok



**18 October 2018**

DEUTSCHE TISCO : THAILAND  
TRANSPORTATION CORPORATE DAY  
At Tisco Securities Company Limited,  
Bangkok

**6 November 2018**

SITE VISIT WITH LOCAL INSTITUTION  
INVESTORS  
At U-TAPAO International Airport

**9 November 2018**

The 3Q2018 AAV RESULTS  
ANNOUNCEMENT



**28 September 2018**

IR TALK#2 : HOW TO PREPARE FOR INTERNATIONAL  
ROADSHOWS At The Stock Exchange of Thailand

**12  
November 2018**

The 3Q2018 AAV  
RESULTS BRIEFING  
At Grand Hyatt Erawan, Bangkok

**22-23  
November 2018**

LOCAL NON-DEAL ROADSHOW WITH  
BUALUANG SECURITIES  
In Bangkok

**27 November 2561**

SET AWARD 2018  
At the Stock Exchange of Thailand



# COMPANY POLICY AND BUSINESS OVERVIEW



## 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 create jobs across the region and be the best company to work for where dreams come true.
- To care for all our stakeholders, from Allstars, guests, business partners, investors to communities and governments.
- To create a globally recognised, sustainable ASEAN brand focused on adding value to the economy, society and environment.

## BUSINESS OVERVIEW

As Asia Aviation Public Company Limited (“Asia Aviation” or “Company”) is a holding company which currently makes an investment only in Thai AirAsia. The business overview, thus, 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. Besides, we have the mission to provide the highest quality product, embracing technology to reduce cost, 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, and to create a globally recognised, sustainable ASEAN brand focused on adding value to the economy, society and environment where opportunities are opened for all and **“Now Everyone Can Fly”**. Furthermore, Thai AirAsia focuses on providing high-frequency services on short-haul international and domestic routes within the four-hour flight time from our hubs in Bangkok (Don Mueang International Airport), Phuket, Chiang Mai, Krabi, Pattaya (U-Tapao International Airport) and Hat Yai. This gives us access to the population in Southeast Asia, South Asia, and the southern part of China. Thai AirAsia provides service to passengers who are leisure air travel passengers and also the business travellers by primarily considering the airfares and on-time performance.

Our business model is based on that of AirAsia Berhad “AAB”, who operates a low-fare airline under the “AirAsia” brand in Malaysia. The Company believes our simple single-class; single type fleet configuration, point-to-point operations, high aircraft utilisation, scale, distribution channels, AirAsia Big Loyalty Programme, and extensive route network provide us with a cost advantage over other Thai airlines and one that compares favourably with other low-cost carriers (LCC) around the world. Our cost advantages, lower fares, strong branding and marketing, as well as, reliable service have enabled us to continuously expand our operations since our inception in 2004.

## BACKGROUND

Asia Aviation was incorporated on February 14, 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”), held 50% during that period.

On June 21, 2007, 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 has foreseen the potential growth of Thai AirAsia.

In November 2011, Asia Aviation acquired an additional 1% shareholding from Mr. Tassapon Bijleveld and held 51% in Thai AirAsia. Asia Aviation then became the public company on December 26, 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 in the Stock Exchange of Thailand on May 31, 2012 under ticker name “AAV” with the fully paid-up capital. The Company used the proceeds from the Initial Public Offering (IPO) to subscribe the newly issued shares of Thai AirAsia, which increased its shareholding to a current of 55% in Thai AirAsia.

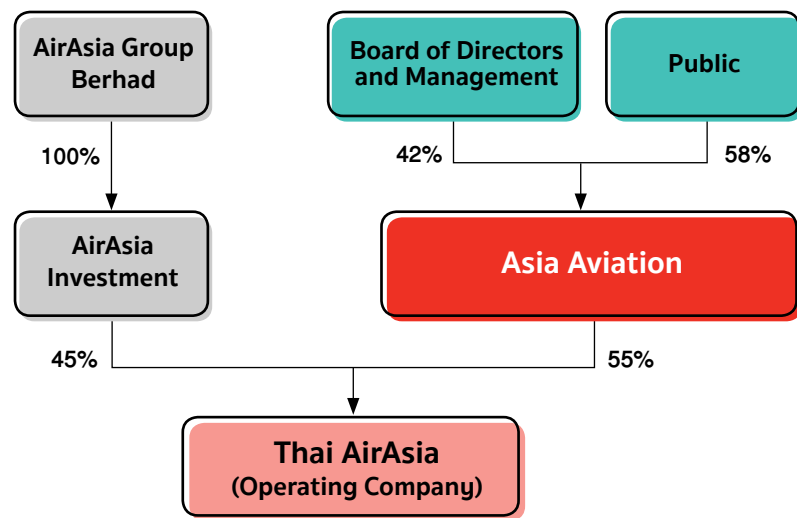
Thai AirAsia, a joint venture between Asia Aviation, who held 51% shareholding in Thai AirAsia (Pre-IPO), and AirAsia Investment “AAI”, who held 49%, is incorporated on September 19, 2003 to operate a low-fare airline business with a registered capital of Baht 400,000,000. AAI is a holding company wholly owned by AAB. AAB is a listed company in Bursa Malaysia who operates a low-fare carrier AirAsia in Malaysia. On May 29, 2012 Thai AirAsia has 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 the newly issued shares, raising its shareholding to 55% while AAI was diluted to 45%.

AirAsia Group has restructured its investment structure, by establishing AirAsia Group Berhad (“AAGB”) on April 16, 2018 and has assumed the listing status of AAB, holding 100% of AAI’s stake.

## INVESTMENT STRUCTURE

Investment structure as of December 31, 2018 is as following:



## BUSINESS OPERATION OF THAI AIRASIA RELIES ON ITS RELATIONSHIP WITH AIRASIA BERHAD

Thai AirAsia has the supports from AAB in many areas, including the permission to be a sole 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 “AAM”, an AAB’s subsidiary. Thai Airasia also relies on the information technology used within the AirAsia Group. The Company’s main software was centred in Kuala Lumpur, Malaysia.

Thai Airasia also has access to spare parts kept by AAB and benefits from airport ground services provided by members of AirAsia Group in certain airports and other services from AAB and members of AirAsia Group such as maintenance, fuel hedging, website for selling tickets, ticket reservation software and AirAsia BIG Loyalty Programme. Decisions to engage in the transactions are made by Thai AirAsia which have to pass the resolution from the Board of Directors and the Audit Committee.

At present, AAGB has 45% stake of indirect holding in Thai AirAsia and has nominated four of the directors of Thai AirAsia from the nine members in the board of directors as specified in the Shareholders’ Agreement.

# KEY MILESTONES

## 2004

Thai AirAsia began operating domestic air services from Bangkok's Don Mueang Airport to Hat Yai (Songkhla), Phuket and Chiang Mai as well as our first international flight from Bangkok to Singapore with two Boeing 737 aircraft.

## 2006

Asia Aviation was incorporated and acquired 50% of shares in Thai AirAsia.

## 2007

- Thai AirAsia moved our hub from Don Mueang International Airport to Suvarnabhumi International Airport.
- Thai AirAsia received our first Airbus A320 aircraft.

## 2009

Thai AirAsia launched our second hub in Phuket.

## 2010

Thai AirAsia fleet is comprised of single aircraft type, the Airbus A320.

## 2012

- Asia Aviation was listed in the Stock Exchange of Thailand (SET) and increased its shareholding in Thai AirAsia to 55% .
- Thai AirAsia received our first aircraft under finance lease term.
- Thai AirAsia moved our hub from Suvarnabhumi International Airport to Don Mueang International Airport.

## 2013

Thai AirAsia reopened our third hub in Chiang Mai.

## 2014

- Thai AirAsia rewarded The World Best LCC's OTP in 2013 from Flightstats.
- Thai AirAsia launched our fourth hub in Krabi.

## 2015

- Thai AirAsia rewarded The Best of Airline from The Best of Thailand Awards voted by Chinese tourists.
- Thai AirAsia launched our fifth hub in Pattaya (U-Tapao International Airport).

## 2016

- Thai AirAsia launched our sixth hub in Hat Yai.
- Thai AirAsia received Airbus A320 neo aircraft, the first of its kind in Thailand.

## 2017

Thai AirAsia is the first Thai Low-Fare Carrier to receive AOC Re-Certification.

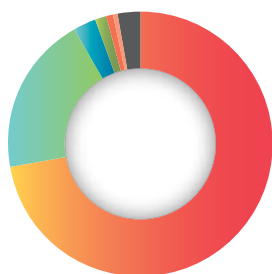
## 2018

- Asia Aviation received outstanding investor relations award in SET Awards 2018.
- Thai AirAsia received Marketing Excellence Awards of Her Royal Highness Princess Maha Chakri Sirindhorn from Thai Management Association (TMA).
- Thai AirAsia operated 62 aircraft with 1,384 flights per week to 66 destinations.

# NATURE OF BUSINESS

As Asia Aviation is a holding company who currently makes an investment only in Thai AirAsia and has no revenue generating from other businesses, the revenue breakdown, thus, shall be considered at the operating company level Thai AirAsia.

Revenue breakdown of Thai AirAsia according to the financial statements ended December 31, 2016-2018 is shown with details below.



● 72.3%	Passenger service revenues
● 19.5%	Baggage handling and other service fees
● 2.7%	Charter flight revenues
● 1.5%	In-flight revenues
● 0.7%	Freight revenues
● 0.1%	Advertising revenues
● 0.6%	Gain on exchange
● 2.6%	Other income

	For the year ended 31 December					
	2016 <sup>(1)</sup>		2017 <sup>(1)</sup>		2018	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
<b>REVENUES FROM SALES AND SERVICES</b>						
Passenger service revenues	24,993.6	75.5	26,622.9	71.4	29,072.9	72.3
Baggage handling and other service fees	4,828.8	14.6	6,993.7	18.8	7,853.1	19.5
Charter flight revenues	1,963.3	5.9	1,615.2	4.3	1,064.7	2.7
In-flight revenues	403.1	1.2	469.8	1.3	606.7	1.5
Freight revenues	211.8	0.6	230.0	0.6	270.0	0.7
Advertising revenues	27.0	0.1	71.2	0.2	37.5	0.1
<b>REVENUES FROM SALES AND SERVICES</b>	<b>32,427.6</b>	<b>97.9</b>	<b>36,002.8</b>	<b>96.5</b>	<b>38,904.8</b>	<b>96.8</b>
<b>OTHER REVENUES</b>						
Gain on exchange	-	-	322.1	0.9	250.4	0.6
Other income	702.0	2.1	1,026.5	2.6	1,044.2	2.6
<b>TOTAL OTHER REVENUES</b>	<b>702.0</b>	<b>2.1</b>	<b>1,348.6</b>	<b>3.5</b>	<b>1,294.6</b>	<b>3.2</b>
<b>TOTAL REVENUES</b>	<b>33,129.6</b>	<b>100.0</b>	<b>37,280.2</b>	<b>100.0</b>	<b>40,199.4</b>	<b>100.0</b>

Remark : <sup>(1)</sup> Reclassifications of the comprehensive income statements

## ASIA AVIATION AND THAI AIRASIA'S BUSINESS

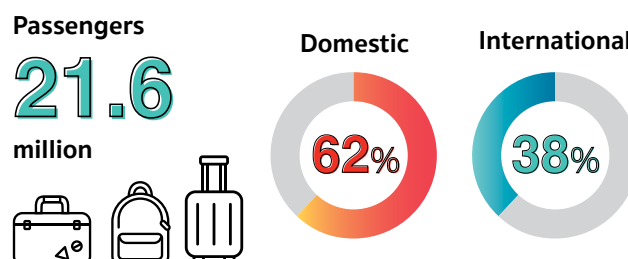
Asia Aviation operates as a holding company, which currently only holds investment in Thai AirAsia. Thai AirAsia operates a low-fare airline business with a single fleet type of Airbus A320s, generating revenues from scheduled passenger services and ancillary services.



## 1. Scheduled Passenger Services

Thai AirAsia provides scheduled passenger air travel services at the fares lower than the one offered by full service airlines. However, such fares do not include services such as baggage fee, seat selection fee, 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 continuously monitors our on-time performance and our punctuality remains outstanding in the industry at 86% of our flights in 2018 (which measures the proportion of flights departing within 15 minutes of the scheduled departure time).

The number of passengers carried of Thai AirAsia in 2018 was at 21.6 million passengers, 62% of which were passengers on the domestic routes, and 38% of which were passengers on the international routes.



Operating Data of Thai AirAsia is shown with the details below.

	For the year ended 31 December		
	2016	2017	2018
Capacity (million seats)	20.5	22.7	25.2
Passengers carried (million)	17.2	19.8	21.6
Load factor (%) <sup>(1)</sup>	84	87	85
ASK (million) <sup>(2)</sup>	20,629	22,379	25,019
RPK (million) <sup>(3)</sup>	17,285	19,523	21,243
Average fare (Baht) <sup>(4)</sup>	1,565	1,500	1,477
Revenue per ASK (Baht) <sup>(5)</sup>	1.57	1.61	1.56
Cost per ASK (Baht) <sup>(6)</sup>	1.42	1.52	1.58
Cost per ASK (non-fuel) (Baht) <sup>(7)</sup>	1.02	1.05	1.00
Number of aircraft at period end	51	56	62
Number of stages flown	113,776	126,083	139,848
International	43,782	47,865	54,142
Domestic	69,994	78,218	85,706
Average stage length (kilometre) <sup>(8)</sup>	1,007	986	991
Aircraft utilisation (block hours per day) <sup>(9)</sup>	11.7	11.9	12.0
Ancillary revenue (Baht in millions)	5,556	6,315	7,134
Ancillary revenue per passenger (Baht)	323	319	331
Fuel consumption (million barrel)	3.86	4.21	4.57
Company's average market jet fuel price (USD per barrel) <sup>(10)</sup>	51.5	64.4	85.2
On-time performance (%) <sup>(11)</sup>	85	83	86

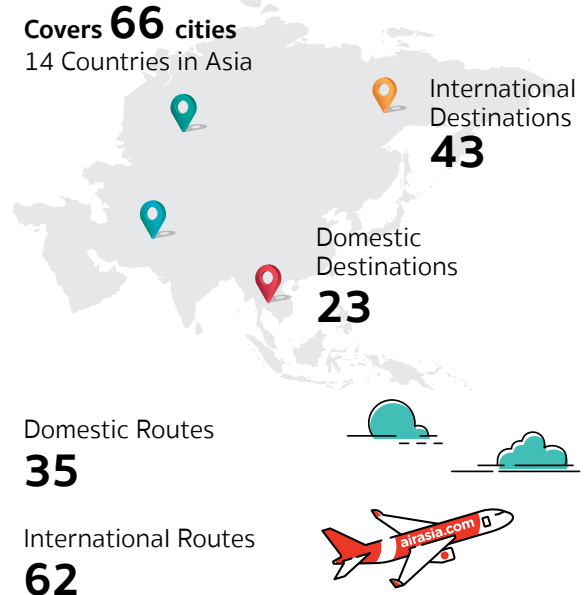
- (1) Represents the number of passengers carried as a proportion to capacity, which is the number of seats available for passengers
- (2) Available seat kilometres, which is the total number of seats available on all flights multiplied by the number of kilometres these seats were flown
- (3) Revenue 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 and fuel surcharge 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 finance costs) divided by ASK
- (7) Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding finance costs) 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.

### 1.1 Our Network and Schedules

Thai AirAsia focuses on short-haul routes to airports in and around major population centres and travel destinations, typically operating within radius of up to 3,500 kilometres and flight duration of up to four hours from the Hub. Thai AirAsia route network offers frequent point-to-point services, without connections, and not scheduled in parking our aircraft at airports overnight other than our six hub airports comprising Bangkok (Don Mueang), Phuket, Chiang Mai, Krabi, Pattaya (U-Tapao) and Hat Yai.

Our route network covers a total of 66 cities across 14 countries in Asia. As of December 31, 2018, it was covering 43 international destinations and 23 domestic destinations with 62 international routes and 35 domestic routes.

Our customers have access to the combined route network under AirAsia Group in countries such as Malaysia, Indonesia, Philippines, India, and Japan with more than 140 destinations.



### 1.2 Network Expansion

When considering adding a new route to our network, Thai AirAsia takes into account factors such as potential load factors, the population density and tourism industry at the point of departure and destination, current and potential competition, airport fees, traffic rights and distance. This process of new routes opening typically takes three months and those new routes are to be approved by Thai AirAsia's Board of Directors 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/cancel the route.

In 2018, Thai AirAsia launched new domestic and international routes including

<b>Bangkok (Don Mueang)</b>	To Ranong Johor Baru (Malaysia) Chengdu (China) Chumphon Kota Kinabalu (Malaysia) Bhubaneswar (India) Visakhapatnam (India) Gaya (India) Colombo (Sri Lanka)
<b>Phuket</b>	To Macao Kunming (China)
<b>Chiang Mai</b>	To Udon Thani Yangon (Myanmar) Taipei (Taiwan) Hanoi (Vietnam) Nanchang (China) Beijing (China)
<b>Krabi</b>	To Macao Hong Kong Chongqing (China)
<b>Pattaya (U-tapao)</b>	To Khon Kaen Chengdu (China)

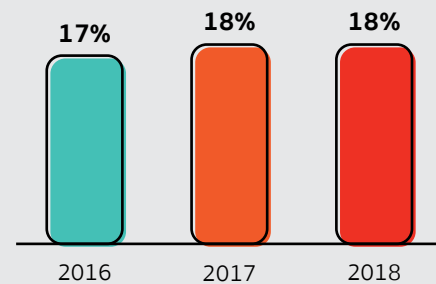
Thai AirAsia also increased frequencies in dominant destinations in the domestic and Indochina region. In addition, Thai AirAsia has converted the routes from Bangkok (Don Mueang) to Hangzhou, Ningbo and Nanjing from charter to scheduled charter flight. However, as a result of capacity management, Thai AirAsia has also cancelled routes from Pattaya (U-tapao) to Hangzhou (China) and Ubon Ratchathani, from Bangkok (Don Mueang) to Tiruchirappalli (India) and from Chiang Mai to Ubon Ratchathani and Udon Thani during the year.

Thai AirAsia's objective is to firmly establish itself as Thailand's leading carrier in main and secondary travel destinations to maximise the returns, especially in the domestic market and also support the passenger growth for connecting people travelling among the countries within this region. Moreover, Thai AirAsia plans to penetrate India and Asean markets while keeping the market share in China by planning to commence new routes and increase frequencies in well-performed routes. Hence, this diversified strategy tends to minimise the risk of dependence on major customer base and to enhance the company's sustainable revenue growth in the future.

## 2. Ancillary Services

Thai AirAsia provides various ancillary services to the passengers, starting from the services before boarding, in-flight services, and 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 is accounting for 17%, 18% and 18% of our revenues in 2016, 2017 and 2018 respectively, which are grouped into categories as below.

**Ancillary Services**  
(of revenues from sales and services)



### 2.1 Services Before Boarding and Fees

Thai AirAsia offers a range of products and services to passengers on AirAsia website, call centre and sales counters as follows:

- Checked Baggage:** Baggage charges are based on the weight of the baggage passengers wish to check in and also upon flight hour and the timing of purchase and travel period. Pre-booking of the checked baggage at the time of reservation will bring about lower fees. Additional fees will be charged for baggage with excess weight.
- 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 reservation will bring about lower fees.
- Checked Sports Equipment:** Passengers can check-in sports equipment including golf equipment, diving equipment, surf board 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 reservation will bring about lower fees. Additional fees will be charged for Sports Equipment with excess weight.
- Bookings and Amendments:** Passengers can make a booking via call centre and sales counters; booking fees will be applied. Booking amendments are possible 48-hour prior to flight time with amendment fees to be applied (Name and Route changes are not permitted). Hence, an additional service fee may be applied on a case-by-case basis.
- Payment Processing Fees:** Tickets are available for purchase either through online purchase via the website or AirAsia Ticket Counter in the Airport. Wide 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 (Tune Protect):** Passengers can purchase Tune Protect Travel Insurance by AirAsia which covers accidental death and dismemberment, personal accident and medical expense, trip cancellation, flight delay, damage to luggage, personal effects, and etc. Thai AirAsia has cooperated with Tune Insurance Public Company Limited and will receive the service fee from selling such insurance via the AirAsia website.
- **Connecting Flight (Fly-Thru):** Fly-Thru service is available for passengers who wish to conveniently connect flights (Domestic and International Flight) 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. However, 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 all the way from check-in to baggage claim. AirAsia Red Carpet privileges include a dedicated check-in area, access to the airport lounge and priority boarding as well as priority baggage delivery upon arrival. Thai AirAsia will receive revenues from this service.

## 2.2 In-Flight Services

The sales of beverages and food to passengers onboard are one of our in-flight services. Passengers who pre-booked the meals online during reservation or via Manage My Booking will have a wider range of menus for selection as well as a discount from onboard prices, in which the food will also be served first prior to the sales of onboard in-flight beverages and food.

Passengers can pre-book such service no less than 24 hours before the departure time.

Additionally, Thai AirAsia offers merchandises onboard including souvenirs (such as airplane model and graphic T-shirt), travel gadgets (such as phone chargers and earphones) seasonal or festive items and travel essentials (such as luggage locks and pillow & comforter kits). Through King Power Marketing and Management Co., Ltd., Thai AirAsia also offers duty-free products, which can be purchased on our international flights; the payment can be made using either cash or credit cards.

## 2.3 Other Services

- **Bangkok Bank AirAsia Platinum MasterCard Credit Card:** Thai AirAsia and Bangkok Bank launched a co-branded credit card offering special privileges to the customers, including earn 1 AirAsia BIG Point for every Baht 20 spent and 3x AirAsia BIG Points for any purchase made on AirAsia website, sales counters and call centre. Thai AirAsia will receive shared revenue from spending on this co-branded credit card.
- **Advertising Space:** Thai AirAsia generates an additional revenue by providing advertising space on our aircraft such as the overhead compartments, meal trays, Travel 3Sixty Magazine (Regional and Local), banner on AirAsia Website and others.
- **AirAsia Car Rental:** Thai AirAsia and CarTrawler, a world-class car rental search engine, launched a car rental service both domestically and internationally. Customers can easily search for cheap rental cars and

compare prices and car models from various car rental companies in one website, providing the ultimate convenience to those who book the air ticket along with searching for cheap cars at the destination. Additionally, Thai AirAsia will receive shared revenue from each rental transaction made via AirAsia Car Rental page.

- **Freight (AirAsia Cargo):** Thai AirAsia generates additional revenue from airfreight service on the scheduled flight, comprising cargo and mails when space and weight are available.
- **Island and City Transfer:** Passengers can plan their trip conveniently due to the easy access to the nearby islands and cities. Thai AirAsia cooperates with the local van and ferry operators to offer City Transfer and Island service to deliver passengers either from the airport to the cities such as Pai, Khaolak, Sukhothai, Surin, and Khanom, or from the land to the islands such as Lanta, Lipe, Phangan, Phi Phi, and Samui.



### 3. Pricing and Revenue Management

Thai AirAsia uses multiple fare structures and dynamic pricing to yield the ticket revenue, in which factors such as market demand, competition, historical performance and forecasts will be considered in determining how many seats to allocate to each fare level for each flight and each departure date in order to maximise our revenue.

As there are a limited number of seats in the lower fare level, the earlier a passenger books a seat, the more likely it is that the passenger will be able to purchase seat at the lowest published fare. All of our fares are priced based on one-way travel. Seats must be purchased at the time of reservation and are non-refundable except for the portion relating to any applicable airport tax. However, the time of travel (other than in the case of promotional fares) can be changed up to 48 hours prior to departure subject to the processing fee and the payment of the fare difference.

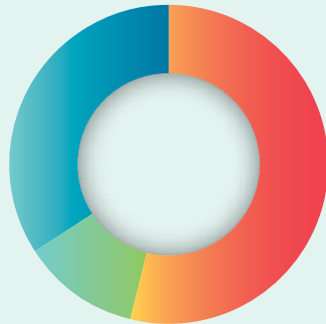
While Thai AirAsia seeks to maximise our revenue, our competitive cost structure enables us to offer the average fare lower than our competitors in the same routes. Moreover, Thai AirAsia occasionally offers promotional fares to promote less favourable routes.

#### 4. Distribution and Sales

Thai AirAsia has three principal distribution channels, the Internet, direct sales through our sales offices and call centres as well as indirect sales through agents. All travel documents with us such as confirmation itinerary are through electronic tickets, thereby reducing costs associated with printing, mailing, modifying tickets, as well as, re-issuing lost or stolen tickets. As at December 31, 2018, Thai AirAsia has a proportion of our total bookings sold through the Internet 54%, direct sales 12% and indirect sales 34%.

##### Booking Proportion

- 54% Website and Application AirAsia
- 12% Direct Sales
- 34% Indirect Sales



#### 4.1 Internet Sales

Thai AirAsia sells our ticket online via [www.airasia.com](http://www.airasia.com) which is the AirAsia Group website and AirAsia Mobile App on the smartphone covered both iOS and Android, which are paid by credit card or direct debit and internet banking, ATM, Mobile Banking, or at service counters such as Counter Service, Tesco Lotus, Big C Supercenter, Thai Post Office, Tops Supermarket, TrueMoney, etc for online booking. To encourage Internet reservations, our lowest fares (which include our promotional fares) are available only through the AirAsia Group website and AirAsia Application on smartphone. Thai AirAsia expects internet sales to continue in the future. As online bookings lower our costs by reducing operating costs, the Internet is our lowest-cost distribution channel.

#### 4.2 Direct Sales

Direct sales are made at sales offices and airport sales counters in which payments can be paid by cash, credit card, PromptPay and QR Code and Call centre through credit card, or Counter Services of 7-Eleven stores throughout Thailand. Group bookings are made and paid by credit card or money transfer.

### 4.3 Indirect Sales

Indirect sales through agents are consisting of online (Online Travel Agents - OTA) and offline (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 maintained 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 International Air Transport Association (IATA). In addition, Third Party Travel Agents have expanded the business to OTA as well.
- **AirAsia Go and Expedia:** AirAsia Go and Expedia are an online travel portal under AirAsia Group, offering flights, hotels, tour packages, transportation options and events. Thai AirAsia obtains revenues from AirAsia Go and Expedia for the flights that Thai AirAsia provides as part of the travel package or flight booking only.
- **MyCorporate Bookings:** Thai AirAsia offers our MyCorporate package to business travellers who maintain corporate accounts with us.
- **GoGovernment Booking:** Thai AirAsia offers special GoGovernment fare for governors to book at airport counters or authorised travel agents.
- **Book and Pay:** Thai AirAsia joins with Counter Services, offering book and pay AirAsia tickets at Counter Service channels, such as convenient store, department store and supermarket, to 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, both single and return.



### 5. Advertising and Sales Promotions

Thai AirAsia is permitted from AAB to use "AirAsia" as tradename under an agreement to receive marketing guidance from AAB in order to enhance operation with a fee.

Thai AirAsia allocates the budget as deemed appropriate for its communication and marketing activities and chooses its advertising media based on exposure to its targeted demographics and medium's effectiveness. Thai AirAsia commonly utilises television advertisements, billboards, LED screens in and out of airports, print media and radio advertisements to reach a wide range of consumers, while using online advertisements to reach more modern consumers.

Thai AirAsia exercises marketing plans throughout the year and regularly presents promotional fares, usually organising 3-4 major promotions each year with further discounts to its already low fares. Ticket prices during this period may be as low as 0 THB per trip to spur advanced booking.

### 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, feedbacks and the complaints from our customers. For any assistance, they can contact us directly via the main page website [www.airasia.com](http://www.airasia.com). We have provided various channels of reach for our customer convenience through just-in-time service support and have continuously attained to improve our technology by introducing the Chatbot that supports fast and accurate information retrieval 24 hours daily.

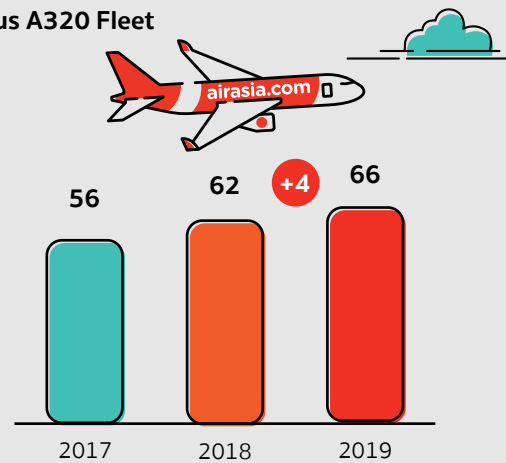
To provide the highest quality customer service, staffs are selected through a rigorous recruitment process, which is followed by extensive and ongoing training and performance management activities. The airline has specific budgets for training for each customer service personnel every year to ensure staffs are fully prepared to assist passengers effectively and efficiently.

## PRODUCTS OR SERVICES PROCUREMENT

### 1. Thai Airasia's Fleet

As of December 31, 2018, Thai AirAsia has Airbus A320 family fleet of 62 aircraft, being 59 operational aircraft and 3 spare aircraft. Thai AirAsia has entered into the aircraft's operating leases, 17 of the aircraft made with AirAsia Mauritius (AAM), a subsidiary of AAB, and 24 aircraft from the third-party lessors, as well as, 15 of the aircraft were under the financial lease agreement with financial institutions and 6 of the aircraft were owned by Thai AirAsia. Thai AirAsia expects to net receive 4 more new Airbus A320 and A321 deliveries in 2019.

Airbus A320 Fleet



An Airbus A320 and A321 family aircraft have a proven track record of reliability in short-haul, high-frequency operations with appropriate number of passengers per flight. As of December 31, 2018, Thai AirAsia has 51 of Airbus A320 and 11 of Airbus A320 neo (New Engine Option) with an average fleet age of 5.79 years with the aircraft utilisation rate of 12.0 hours per day.

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

As at December 31, 2018 Thai AirAsia has 44 aircraft received under tax incentives granted by the Board of Investment (BOI) for 15 projects, 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 to eight years from the date on which income is deemed to be first derived from such operations, subject to a maximum exemption on a range of Baht 415.0 million to Baht 447.3 million, as the case may be for the first eight projects and amounting to Baht 13,360.1 million for the ninth project and on a range of Baht 1,354.4 million to Baht 1,430.0 million for the tenth to fifteenth project (c) an allowance of a five-year

carryforward period for losses for tax purposes from promoted operations from the expiry of the eight-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. For the upcoming new aircraft to be added into the fleet, Thai AirAsia is in the process of planning for application to the BOI upon further approval in granting similar privileges.

### 2. Fuel

Fuel is a major cost component for airlines, in which Thai AirAsia's fuel costs in 2016, 2017, and 2018 were Baht 8,257.5 million, Baht 10,582.5 million and Baht 14,635.6 million, accounting for 28%, 31% and 37% of Thai AirAsia's total operating costs and expenses, respectively.

Thai AirAsia purchases a substantial majority of our fuel from PTT 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 implements various fuel management strategies to manage the risk of rising fuel prices, including hedging. Thai AirAsia has combined the hedging contracts with AAB to mitigate the risk of global fuel price fluctuation.

In addition to hedging fuel prices, Thai AirAsia has implemented the following fuel management strategies in order to reduce costs and minimise inherent risks:

- **Fuel policy:** 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.
- **Payment upfront:** Upfront payment for all purchases gives Thai AirAsia a negotiating power to obtain better pricing.
- **Fuel consumption policy:** Thai AirAsia attempts to minimise fuel consumption by establishing clear guidelines covering all areas of flight operations so that aircraft fuel burn rates can be maintained at a functional minimum.
- **Fuel surcharge:** In the situation of the fuel price fluctuation, Thai AirAsia re-introduced fuel surcharges for all of our international routes, in which the fees are based on the flying hours of each route. The Civil Aviation Authority of Thailand (CAAT) prohibits the imposition of fuel surcharges that are separate from air fares for domestic routes. However, Thai AirAsia cancelled the fuel surcharge at the beginning of the year 2015 due to the global oil prices dropped significantly.

### 3. Major Customers

No customer contributed more than 30% of our total revenue in 2016, 2017 and 2018. Customers mainly consist of individuals travelling by air.

### 4. Major Suppliers

No suppliers accounted for 30% or more of our total operating costs and expenses in 2016, 2017 and 2018.

## 5. Maintenance and Spare Parts

### 5.1 Maintenance

Thai AirAsia provides line maintenance and light maintenance, which is maintained below a “C” level check for all of our aircrafts. Any maintenance above a “C” level check or any structural repairs are outsourced to other certified maintenance, repair and overhaul (MRO) service providers which are certified by the Civil Aviation

Authority of Thailand such as Thai Airways International and Thai Aviation Industries in Thailand, ST Aerospace (Guangzhou) Aviation Services Co., Ltd. in China or Sepang Aircraft Engineering in Malaysia. Through the AirAsia Aircraft Lease Agreements, Thai AirAsia is able to rely on manufacturer’s warranties and product support granted to AAB.

### 5.2 Spare Parts

Thai AirAsia maintains an inventory of rotatable spare parts in our hubs, with the majority of inventory found in Bangkok. As at December 31, 2018, Thai AirAsia keeps Baht 576.3 million of aircraft spares parts (net book value).

## OTHER OPERATIONS

### 1. Safety and Security

Thai AirAsia is fully committed on all levels of operation to the safety and security of our passengers and employees. This commitment is reflected in our system of maintenance of our aircraft, extensive training given to our pilots, cabin crew and employees and the strict policies and procedures in compliance with local regulations, international standards and best practices regarding all areas of our business that are involved with the operation of our aircraft.

#### 1.1 Safety

At Thai AirAsia, safety is our top priority. We place safety at the heart of our corporate culture and are fully committed to and pride ourselves on developing, implementing and maintaining our safety standards which comply with the highest level of air transport industry regulations, including both nationally and international levels.

As a result, safety procedures are reinforced on a day-to-day basis from all staff across the organisation: in- flight, with the pilots, cabin crew, on the ground and licensed aircraft engineers as well as the back office, including the management, starting from the Chief Executive Officer - all of this, while delivering our customers affordable, reliable and convenient flight services.



## Our commitments

### Therefore, we, in TAA believe and commit:

- To always strive achieving the highest safety standards
- To comply with all applicable law, regulation requirements and international standards
- To establish and maintain safe workplace and practice
- To provide all the necessary resources for safety management
- To continuously improve by adopting proven best practice appropriate to our operations
- To establish and embrace a culture in which we have a shared responsibility where personal behavior is fundamental to the achievement of our safety outcomes

### In supporting those commitment and belief, we define and determine the following Safety principles:

- TAA management is accountable for ensuring policies, procedures and instructions are in place to manage operations.
- TAA Individual, contractors and involving parties are strictly account able for following company operating procedures.
- Management of safety is a primary responsibility of all individual whether on-duty or off-duty.
- Where events occur or hazards are identified, these shall be reported and will be investigated to determine root causes and corrective actions are to be implemented.
- Just Culture is our company value that is developed based on mutual trust and open reporting by adopting a fair and consistent approach to the management of events.
- Any behavior that shows gross negligence or deliberate or willful disregard of regulations and procedures will subject to disciplinary action.
- All staff to develop solutions that eliminate unsafe condition and practices.
- Safety information will be openly communicated.
- All people supporting TAA are provided with the necessary knowledge and skills to perform their role.
- Through education we will enable our people to have a common understanding of safety and the nature of risk.
- TAA goals, targets measurement and strategies will be established to monitor and improve safety outcomes.

This policy applies to all TAA team members, contractors and visitors associated with activities supporting Thai AirAsia.

## 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 in identifying potential security breaches, as well as to handle unruly passengers. All potential employees undergo thorough background screening prior to being hired.

Thai AirAsia provides extensive training to ensure that our staffs have appropriate skills to carry out their relevant duties as stipulated in our employee manuals. All crew and ground handling staffs 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 (these include flammable liquids and containers that are likely to explode under pressure).

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 shares various information technologies with the wider AirAsia Group. AAB invests in information technology where its use directly lowers the AirAsia Group's costs, enables scalable operations and improves efficiency and safety. Our key operating software systems (centralised in Kuala Lumpur, Malaysia) include (1) NewSkies 3.4 by Navitaire, which was used for inventory and sales management/reservations (2) Microsoft's Axapta Financial Management (Axapta), which was used for our financial operations (3) the AIMS software, which was used for flight scheduling and crew rostering (4) Navtech software, which was used for flight planning and (5) Swiss Aviation Software Ltd.'s AMOS operating system ("AMOS"), which was used for the management of aircraft maintenance engineering and logistics.

### 3. Airport Operations

Thai AirAsia provides our own ground handling and ground support services at most the domestic airports as well as ramp services. For international destinations, Thai AirAsia has cooperated with airlines in network departing to same destinations in order to negotiate and assign accredited third parties to provide these services for cost management effectiveness. Thai AirAsia believes that providing our own ground handling and ground support services ensures that costs are kept low while productivity is high.

For the services at the airport, Thai AirAsia values the importance of services that are fast and convenient by introducing 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 effectively reduce the costs.

Thai AirAsia aims to continuously improve its service standard while at the same time reducing the costs by researching and developing new technologies beyond the existing self check-in services (self check-in KIOSK or Self Bag Drop). The new technology F.A.C.E.S or Fast Airport Clearance Experience System allows facial scans to accommodate during the boarding process to increase efficiency and provide support for the ground staffs. The technology is currently under development and approval by the government agencies.

### 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 industry practice and is maintained at adequate levels. Thai AirAsia carries passenger and third party liability insurance, as required by the terms of our lease agreements and per the standard market practice, under which the airline is insured for a Combined Single Limit (Bodily Injury/ Property Damage) of USD 750 million each loss, each aircraft, unlimited in all, but in the annual aggregate in respect of Products Legal Liability. 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 each loss, not applicable to total loss/constructive total loss/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 each loss subject to an aggregate limit of USD 10 million applicable to the AirAsia Group.

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 1,000 million per occurrence, applicable to AAB and Thai AirAsia.

Thai AirAsia has purchased the Excess War, Hi-Jacking and Other Perils Liability up to USD 750 million per occurrence and in aggregate.

## INDUSTRY OUTLOOK AND COMPETITION

### 1. Economic and Industry Outlook

In January 2019, the International Monetary Fund (IMF) projected the world economic growth in 2019 to be at 3.5%, reduced compared to the last year's estimate due to the elevated risk of trade war, each nation's economic vulnerability and the continuous trend of tighter financial conditions from several aspects such as the slowed growth of Chinese economy compared to the previous year from the escalating trade tensions with the US and the expected gradual growth of Eurozone economy upon reduced consumption and investment as a result of its tightened monetary policy. On the other hand, the US economy maintained a robust growth. Regarding to the jet fuel prices in 2019, the company forecasts the prices to stand within the average range of USD 75-80 per barrel, levelled down from 2018 due to the risk of intensification in trade war between China and the US, affecting the global economic growth and future decline in demand for oil consumption. This would lead to the pressure in global oil price despite the agreement upon reduced oil productions by Organization of the Petroleum Exporting (OPEC) and Non-OPEC members. With regards to tourism, World Travel and Tourism Council forecasted the growth at 3-4% in 2019 from

the extended demand growth in international travels especially from the emerging markets and better airline connectivity. However, the geopolitical issues, tensions from trade war and the volatility of crude oil prices impose potential risks to tourism growth.

The Office of the National Economic and Social Development Board (NESDB) forecasts Thailand economic growth for 2019 average at 4.0%, marginally lower from last year at 4.1 %, supported by the improvement of the global economy, public and private investment and the improvement of employment rate including the standard wage rate for employment in the system. Export and tourism are expected to be well-performed. Despite the growth, the US trade restrictions and the policies imposed by the trading countries could lead to volatility of the world as well as Thailand's economic growth.

According to the Tourism and Sports Ministry, revenue from tourism in 2019 is expected to reach at Baht 3.3 trillion, an increase of 10% from 2018, of which Baht 2.2 trillion will stem from international tourists and Baht 1.1 trillion from domestic tourists at the growth of 10% and 5% from previous year respectively. The number of international arrivals in 2019 is forecasted to rise over 41.1 million,

comparing to 38.3 million in the previous year, while the number of Thai tourists in the domestic market is expected to be 166 million/visit, or up by 3% over the same period last year. The government aims to encourage dispersion of income to provinces by continuously promoting local tourism to secondary provinces in connection with primary provinces which includes low-season travels. In addition, the government has stimulated international inbound travels through waiving VOA (Visa on Arrival) fees together with elevating safety measures. In 2019, there would be several infrastructure development projects such as the improvement of Mae Sot International Airport, Tak province, expansions of passenger terminals and taxiways in several airports of Nakorn Sri Thammarat, Trang, Krabi, Khon Kaen, Surat Thani and Loei provinces, as well as the construction of the control tower at U-Tapao International Airport to support long-term tourist growth.

Hence, Thai AirAsia has prepared not only itself for the competitive environment domestically and internationally by expanding its fleets and hubs, but also has continual monitoring of its performance to ensure efficient operation, as well as, has opened for the new opportunity to optimise returns.

## 2. Competition

Thai AirAsia faces the competition from the low-cost carriers (LCCs), full-service carriers (FSCs) and charter flight service in our international and domestic market. The intensity of this competition varies from route to route and depends on the strengths of competing airlines as well as other transportation modes available, for example;

- Thai Thai Airways, established in 1960, is the national airline which positioned itself as a full service, providing customer experience as “Touches of Thai” offers multiclass scheduled services, complimentary in-flight meals, a frequent flyer program and airport lounges and based its operation at Suvarnabhumi Airport. Thai Airways established Thai Smile to provide the connecting service in domestic and Asean countries with plans to expand to China and India routes. Additionally, Thai Airways holds 21.8% equity interest in Nok Air as at December 31, 2018 a low-cost carrier that focuses on the customers who are highly price-sensitive on airfare and offers aircraft rental service in addition to operation. Nok Air based its operation at Don Mueang International Airport.
- Bangkok Airways, the owner and the operator of the airports including Samui, Trat and Sukhothai is a boutique full-service carrier focusing especially on the routes to Samui Island.

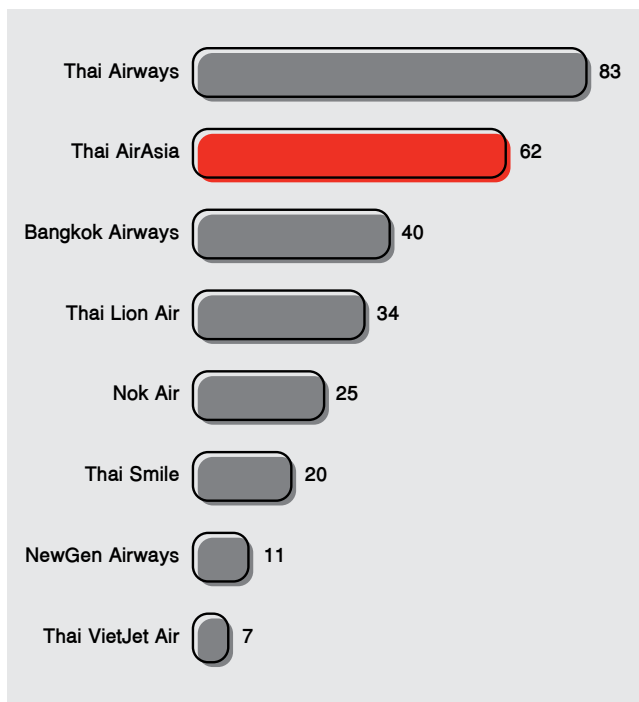
Moreover, the airline focuses on leisure travellers and routes not exceeding 5 hours from the operation centres, covering routes in Southeast Asia, South Asia and India. The airline is in the process of regulatory approval for developing new airports in neighbouring countries to primarily accommodate tourists.

- Thai Lion Air, a low-cost carrier of Indonesia part of Lion Group, has started its operation at Don Mueang International Airport. The airline strategy is to provide cheaper price than competitors with a slogan “We make people fly” with more focus on route expansions and market share of international routes.
- Thai VietJet Air, a low-cost carrier of Vietnam part of VietJet Airline, based its operation at Suvarnabhumi Airport and has flown domestic flights since September 2016.
- NewGen Airways, a charter flight service carrier, is flying mainly to several destinations in China. NewGen Airways based its operation at Don Mueang, Krabi, Surat Thani and Phuket International Airports. In addition, this airline has planned to be listed in Stock Exchange of Thailand by the first half of 2019.

Thai AirAsia's strategy is to offer the best low fares with flight frequency and quality of service in its peer group. Given our cost management effectiveness, Thai AirAsia is in the better position to endure a decrease in airfares that might occur from the airline pricing environment in a period of increased competition from existing competitors or from new entrants.

In 2018, Thai AirAsia was still confronted with the price competition, especially in the trunk routes provided by low-cost carriers and full-service carriers. To avoid the intensity of competition and to maintain leadership in the domestic market, Thai AirAsia offers services on the unique routes. Hence, Thai AirAsia is able to price the airfare on those routes such as Krabi - Hong Kong and Pattaya (U-Tapao) - Khon Kaen and operates the new routes to the secondary-tier city such as Bangkok - Bhubaneswar (India) and Bangkok - Chumphon. Furthermore, Thai AirAsia has benefited from the Fly-Thru service that connects more flights with Thai AirAsia X, a low fare long-haul airline, an affiliate of AirAsia X in Malaysia, which has its operation based in Don Mueang International Airport.

As of December 31, 2018, the major airlines that were granted with the Air Operator Certificate (AOC) from Civil Aviation Authority of Thailand (CAAT) provide services on both domestic and/or international routes have a number of aircraft in service as shown below:



Source: Company, Centre for Aviation (CAPA)

## 2.1 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) NokScoot, (5) Thai Lion Air, (6) Thai VietJet Air (7) GoAir and charter flight carriers such as (1) NewGen Airways.

## 2.2 Domestic

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

## OUR BUSINESS STRATEGY

Our goal is to establish ourselves as a leading low-fare carrier in every market that we serve by offering passengers to fly with experiences focusing on “Our care is in the details, Because everyone matters” at the lowest airfares. Besides, our aim is to gain market dominance in each of our routes. Apart from organic growth of its fleet, Thai AirAsia is striving to stimulate air travel by adding new potential destinations especially in South Asia and Indochina, where there are few or no competition and add additional flights to strengthen our market share position. In 2019, the domestic capacity is expected to decline by 1-2%, while demand for domestic travels is expected to be at growth momentum, partially supported by the government scheme of secondary province tourism as aforementioned. As a result, the performance of Thai AirAsia in 2019 is expected to be satisfactory. Besides generating passenger revenues, Thai AirAsia enhanced operating results through ancillary services via attractive campaigns to create more awareness on existing products and services to the market as well as more innovative products such as domestic city transfer and island transfer services to serve our travellers' needs and convenience on connectivity.

In summary, Thai AirAsia aims to offer lower fares while maintaining a continuous focus on cost-containment and operational efficiency. Thai AirAsia is also building up its network and structure that would enable the economies of scale, as well as, the efficiency and effectiveness in management for the readiness of upcoming competition.

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บินเที่ยวมั่นใจ ดูแลให้ตลอดทริป

หมายเหตุ \*Tune Protect รับประกันโดย บริษัท ทุนประกันภัย จำกัด (มหาชน) ดำเนินการจัดให้มีการประกันภัย โดย บริษัท กรุง ฟอร์จูน ไบรเกอร์ จำกัด ใบอนุญาตเลขที่ ๐๐๐๐๑๘/๒๕๕๙

\*\*ความคุ้มครองขึ้นอยู่กับแผนที่ซื้อ เงื่อนไขเป็นไปตามข้อกำหนดของกรมธรรม์ โทร. 02 203 9798 อีเมล: [enquiry.th@tuneprotect.com](mailto:enquiry.th@tuneprotect.com)



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# RISK FACTORS



Weather



Fuel



Currency



Interest Rate

Aviation business is one of the industries with several unique risk factors. In order to respond to the risk that may arise to affect the Company's operation, the Company has set up risk management procedures for Thai AirAsia and the Risk Management Committee comprising executives from different departments that are involved in setting policies and assessing risks. The Committee identifies possible risks and analyses factors that may prevent the Company in achieving its goals, prioritises significance those identified risks as well as evaluates the plausible impacts in order to establish the measures in mitigating risks to the acceptable level. The Risk Management Committee has reported the risk assessment results to the Audit Committee, Executives and the Board of Directors for consideration twice a year.

The Company and Thai AirAsia have key risks as listed below. Nonetheless, besides the risk factors shown hereunder, there may be other risks that the Company and Thai AirAsia are not presently aware of or are aware of but do not deem significant in the foreseeable future.

## RISKS RELATING TO THE AVIATION INDUSTRY

### 1. The aviation industry is exposed to risks from external factors.

Today, there has been a great increase of competition in the aviation industry. Passengers have more various alternative options to choose the airlines that give them most confident travelling. Furthermore, news about aircraft accident may affect passenger's confidence. Primarily, the negative impacts include higher costs for security and insurance, lower passenger traffic and lower yield from the decreasing demands for air travel worldwide, and possibly higher costs for the industry, for example, fuel costs for aircraft or insurance-related costs. The outbreak of the epidemic or various measures taken by governments of countries affected by the epidemic to mitigate the risk of the outbreak may also obstruct the aviation industry.

During the monsoons or in the unfavourable weather conditions, flights may be cancelled or postponed. Thailand is one of the countries that have encountered many natural disasters during the past several years, including the tsunami and flood. In the cases that Thai AirAsia cancels or postpones the flight, income and profit of Thai AirAsia will be reduced.

As safety has become a core principle of Thai AirAsia, it has launched Safety Management System (SMS) to enhance and support organisation. SMS is a systematic, proactive and explicit process for managing safety that integrates operations and technical systems with financial and human resource management to achieve safe operations with as low as the reasonably practicable risk. It is systematic in that safety management activities are carried out in accordance with a pre-determined plan, and applied in a consistent manner throughout the organisation. It is proactive by taking an approach that emphasises prevention, through hazards identification and risk control and mitigation measures, before events that affect safety occur.

Furthermore, Thai AirAsia has set up the Emergency Response Team to keep a close watch and follow the situation instantly, with the aim to minimise the impact on the flight operation and passengers. The team covers areas such as flight operation planning, ground operation in terms of customer service, corporate communication, and passenger responsibility.

## **2. The business, financial condition, operating results, and prospect of Thai AirAsia may be materially and adversely affected by fuel costs.**

The fuel costs is one of the major operating costs of airline business, accounted for 37% of the operating costs of Thai AirAsia in 2018. Consequently, the operating results of Thai AirAsia are significantly affected from the high volatility of the jet fuel price. In an attempt to ensure against the constant fluctuation in fuel costs, the company has the fuel hedging policy as a tool to mitigate its exposure to volatile and potentially rising fuel costs rather than as a means to speculate against fluctuation in fuel price movements. In terms of flight operation, the company has the policy to manage the fuel consumption rate.

Thai AirAsia's forward fuel hedging in 2018 accounted for an average proportion of 16% of overall fuel consumption. Throughout 2018, the company made adjustments to the jet fuel hedging to reflect the changes in situations that can influence the volatility of global oil price.

## **3. Currency fluctuation can have adverse impacts on Thai AirAsia's business, financial condition, and operating results.**

Thai AirAsia has revenues and expenses in various different currencies. The company has adopted the practice of Natural Hedging to reduce the exposure of foreign exchange rates fluctuation by matching cash expenses and revenues in the same currency as practically possible. The net cash flow is then managed to better match its major expenses such as maintenance contracts, aircraft lease contracts and jet fuel supply contracts. Moreover, the structure of the foreign currency loans is made in accordance with the highest currency net operating cash flow. To ensure that the company does not incur too much foreign currency debt, it also took on more Thai baht loans to alleviate the foreign currency gain/loss impact on the company's profit and loss statement. The company also used financial instruments for currency risk management including Cross Currency Swaps (CCS), spot and forward contracts whenever it is suitable to do so. Although the

Company and Thai AirAsia engages in foreign currency hedging transactions, hedging activities cannot be expected to eliminate currency risks.

## **4. The company and Thai AirAsia may be exposed with interest rate fluctuations.**

The Company and Thai AirAsia may incur a significant amount of debt in the future in order to finance for new aircraft or for business expansion. The certain amount of indebtedness of the Company and Thai AirAsia in the future might be of floating rate obligations, thus, the increasing interest rate is likely to affect the borrowing costs of Thai AirAsia. The Company and Thai AirAsia have set a measure to alleviate interest rate risk by fixing some interest rate during the negotiation for financial lease contracts and by considering using financial instruments at an appropriate time. As of December 31, 2018, Thai AirAsia has a ratio of long-term debts after swap between floating interest rates and fixed rates approximately 9 to 91.

## **RISKS RELATING TO ASIA AVIATION AND THAI AIRASIA**

### **1. There are limitations on foreign ownership in Asia Aviation, and Thai AirAsia, which is the company's core asset. Violation may result in the revocation of air service operator license and the traffic rights of our destinations of Thai AirAsia.**

Foreign ownership, as limited under our Articles of Association, shall not exceed 0.1% of total issued and outstanding Asia Aviation's shares. In addition, Thai AirAsia, as Asia Aviation's core asset, is also under the foreigners' shareholding limitations regulated by the Foreign Business Act B.E. 2542 (1999) and the Aviation Act B.E. 2497 (1954) as amended, and the Announcement of the National Executive Council No. 58. Not less than 51% of shares of an air service operators and aircraft registrants shall belong to persons listed hereunder, in any one or any combination of the following categories:



- (1) Natural persons who hold Thai nationality;
- (2) Ministries, sub-ministries, departments of the Thai government;
- (3) Limited companies or public limited companies, of which not less than 51% of the total capital belongs to ministries, sub-ministries, departments of Thai government;
- (4) Limited companies or public limited companies with a natural person having Thai nationality holding not less than fifty-one percent of all shares, provided that any share entered in a certificate to bearer is deemed to be held by a person having non-Thai nationality;
- (5) A limited partnership with all unlimited liability partners having Thai nationality, and not less than fifty-one percent of its capital is held by a natural person having Thai nationality;
- (6) A registered ordinary partnership with all partners having Thai nationality;
- (7) Other juristic person as prescribed by Civil Aviation Authority of Thailand.

A juristic person under (3), (4), (5), (6), or (7) under the first paragraph shall be registered under Thai law and have the principle place of business located in Thailand. In case that such juristic person has another juristic person holding its shares, or such juristic person holds shares of another juristic person which is a shareholder or a partner, the shares shall also be held by a person having Thai nationality in accordance with the rules prescribed under this Clause.

In practice, it is hardly possible to determine whether the shares owned by shareholder, who is a Thai national, are sold to another Thai national or foreigner, or whether the person who converts the Non-Voting Depository Receipt (NVDR) into share is a Thai national or foreigner, until the said person submits an application for share transfer registration to the registration officer or until the closing date of the shareholders' registration book. Buyers or persons who convert the NVDRs into shares are not obliged to apply for share transfer registration after the purchase or trading. If the buyers or said persons have not applied for share transfer registration, there will not be the records of the said persons' names and nationalities on the shareholders' registration book until the last closing date of the shareholders' registration book, which will be some time after the trading. However, Thailand Securities Depository Co., Ltd. (TSD), Asia Aviation's registrar, may refuse to register the share transfer for the persons who are not Thai nationals and the said persons

may need to sell their shares, if the transfer will make the foreign shareholding exceeds the limit currently imposed, which may result in the revocation of air service operator license and significant negative impacts on the business, financial condition, operating results, and business opportunities of Thai AirAsia. If the foreign shareholding meets the maximum limit, Thai shareholders may be restricted in transferring the shares to foreigners, which may negatively affect the liquidity and market prices of the shares. Additionally, under normal practice for international air transportation service operation, Thai AirAsia shall have significant number of shareholders with Thai nationality who are the actual management of Thai AirAsia. Even though governments of countries, that Thailand has signed the bilateral agreements with, are recognizing the concept of the "beneficial ownership", there is a risk that the substantially owned and the actual management test may not be met, which may result in Thai AirAsia being terminated of the Thai-Designated Airline status and revoked of the international traffic rights.

As of December 31, 2018, Asia Aviation held 55% shareholding in Thai AirAsia, in which the investors and financial institutions held the proportion of 58% of Asia Aviation's total issued and outstanding shares, and the remaining 42% were held by the Board of Directors and management of the Company who are all natural persons with Thai nationality, as regulated by applicable laws.

## **2. Asia Aviation is operating as a holding company, consequently it is dependent on the dividends received from Thai AirAsia for dividend payment to Asia Aviation's shareholders.**

As Asia Aviation is a holding company, it is dependent on the dividends from Thai AirAsia, of which it has 55% shareholding, to pay the dividends for its own shareholders. A dividend payment of Thai AirAsia to its shareholders, including Asia Aviation, shall be subject to applicable law. Asia Aviation may pay dividends based on its net profit of the separate financial statement of the Company, but not from its consolidated financial statement, in which net profit of Thai AirAsia has derived the net profit under the consolidated financial statement. Therefore, the ability to pay dividends of Asia Aviation depends on the dividends received from Thai AirAsia as the said the dividends constitute substantially of Asia Aviation's income.

The Company has assigned Thai AirAsia to prepare operating plans and annual budgets, which need to be considered and approved by the Company's Board of Directors. Executive management meet every month to closely monitor the operating results in order to respond in a timely manner, should there be changes from external factors that differ from what has been planned, and also to appropriate plan financially, both in terms of cash flow and financial ratios that have been approved by the Board of Directors.

### **3. Business operation of Thai AirAsia relies on our relationship with AirAsia Berhad.**

Thai AirAsia has the supports from AirAsia Berhad (AAB) in many areas, including the permission to be a sole operator in Thailand to use "AirAsia" as a trade name for business operation, access to market knowledge, and customer services. However, the increase in the license fee and other amendments can have an effect on the operation of Thai AirAsia.

Presently, Thai AirAsia is leasing its aircraft from an AAB's subsidiary, in which the lease agreements will expire during 2019 to 2025. The ability of Thai AirAsia to renew the lease with similar terms depends on the market condition at the time. Typically, if the lease agreement is made for a long duration, the agreement is likely to be more in favour of the lessee. Thai Airasia also relies on the information technology used within the AirAsia Group. Thai AirAsia's main software (centred in Kuala Lumpur, Malaysia) include NewSkies 3.4, which was developed by Navitaire and used for inventory/sales management and reservation, Axapta Financial Management, which was developed by Microsoft and used for financial operation, the AIMS, which is used for flight scheduling and crew rostering, Navtech, which is used for flight planning, and Swiss Aviation Software Ltd.'s AMOS, which is used for the management of aircraft maintenance engineering and logistics.

Thai AirAsia also has access to spare parts kept by AAB and benefits from airport ground services provided by members of AirAsia Group in certain airports and other services from AAB and members of AirAsia Group such as maintenance, fuel hedging, website for selling tickets, ticket reservation software, and AirAsia BIG Loyalty Programme. Decisions to engage in the transactions are made by Thai AirAsia.

### **4. Thai AirAsia is dependent on automated system and the internet in its business operation.**

Thai AirAsia is reliant on the automated system in operating its business, including its website and online ticket reservation system, and its internal communication system. Thai AirAsia's website and online ticket reservation system must be able to accommodate a high volume of traffic and to show important flight information. Thai AirAsia has a backup plan and business continuity plan in place in order to prevent a sudden stop in these systems.

The flight reservation by passengers directly via the website and AirAsia Application on smartphones came up to 54% in 2018. Thai AirAsia is aware of the possible risks from internet security for online transactions related to the data privacy that may create more restrictions in ticket purchase; therefore, the company has put in place a privacy policy for customers and safety measures to prevent the illegitimate access to the private information. The company also joins with leading domestic and international financial institutions and credit card providers such as VISA, MasterCard, American Express, and JCB to provide passengers with satisfaction in using their credit cards speedily and safely for the internet transaction.

### **5. Thai AirAsia is having the single fleet type of Airbus A320 aircraft and CFM56-5 engines.**

As of December 31, 2018, Thai AirAsia has a single aircraft type of 62 Airbus A320 aircraft with CFM56-5B6/3, CFM56-5B4/3 and LEAP-1A engines. The reliance on a single model, Airbus A320, makes Thai AirAsia vulnerable to any problem arises from the said model and engines. Thai AirAsia may experience an unfavourable impact if any shortcoming is found in the design or the mechanism in Airbus A320 aircraft or CFM56-5B6/3, CFM56-5B4/3 and LEAP-1A engines, as Thai AirAsia's aircraft will then need to be grounded for fixing the shortcoming or problem.

However, Airbus A320 aircraft is well accepted in the aviation industry since its beginning of production in 1988. Thai AirAsia has assessed the risks of the model being defected in the design or having engine troubled by considering the history of this model and found that its safety is at high-level and its cost of services is modest.

# SECURITIES AND SHAREHOLDERS

## SHAREHOLDING STRUCTURE

### Asia Aviation Public Company Limited

As at December 31, 2018, Asia Aviation has the registered and paid-up capital of Baht 485,000,000, being common shares of 4,850,000,000 shares at the par value of Baht 0.10 per share. On May 31, 2012 the Company was listed on the Stock Exchange of Thailand under ticker “AAV”.

### Thai AirAsia Company Limited (subsidiary)

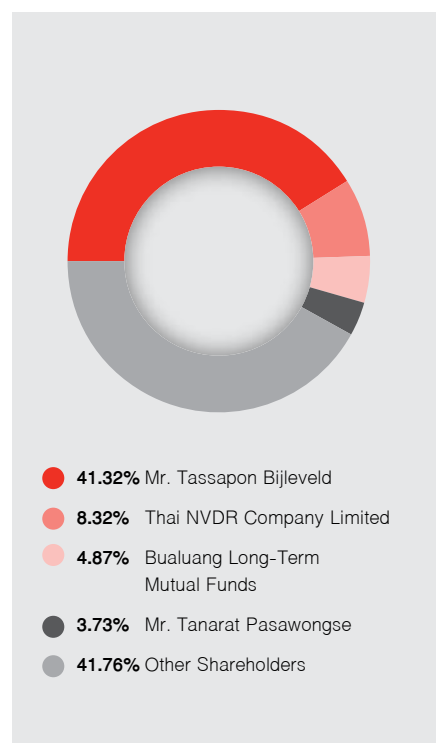
As at December 31, 2018, Thai AirAsia has the registered and paid-up capital of Baht 435,555,600, being common shares of 43,555,560 shares at the par value of Baht 10 per share. With the IPO proceeds, Asia Aviation has injected its capital into Thai AirAsia, increasing its shareholding from 51% to 55%.

## MAJOR SHAREHOLDERS

### Asia Aviation Public Company Limited

As at December 28, 2018, 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. Mr. Tassapon Bijleveld	2,004,088,286	41.32
2. Thai NVDR Company Limited	403,665,359	8.32
3. Bualuang Long-Term Mutual Funds	236,196,100	4.87
4. Mr. Tanarat Pasawongse	180,860,800	3.73
5. Bualuang Long-term Equity Funds 75/25	102,828,300	2.12
6. Krungsri Dividend Stock LTF	66,747,000	1.38
7. Bualuang Flexible RMF	60,025,700	1.24
8. Bualuang Equity RMF	47,714,800	0.98
9. Buakaew Open-end Fund	39,294,700	0.81
10. Bualuang Infrastructure RMF	37,677,900	0.78



## Thai AirAsia Company Limited

As at December 31, 2018, Thai AirAsia has 8 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	23,955,553	55.00
2. AirAsia Investment Ltd. <sup>1,2</sup>	19,600,000	45.00
3. Mr. Tassapon Bijleveld	2	0
4. Captain Tanapat Ngamplang	1	0
5. Mr. Preechaya Rasametarin	1	0
6. M.L. Bovornovadep Devakula	1	0
7. Mr. Santisuk Klongchaiya	1	0
8. Ms. Hathaimas Ekkalakdilok	1	0
<b>Total</b>	<b>43,555,560</b>	<b>100.00</b>

Remark:

- AirAsia Investment is a subsidiary of AirAsia Group that registered under Malaysian laws, in which AirAsia Group Berhad has a 100% shareholding.
- AirAsia Group Berhad, listed on Bursa Malaysia, manages the business of investing in other companies.

## AirAsia Group Berhad

As at December 31, 2018, AirAsia Group Berhad 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. <sup>1</sup>	559,000,000	16.73	-	-
Tune Air Sdn. Bhd. <sup>2</sup>	516,485,082	15.45	-	-
Employees Provident Fund Board <sup>3</sup>	188,294,149	5.63	-	-
Tan Sri Dr. Anthony Francis Fernandes <sup>4</sup>	1,600,000	0.05	1,075,485,082 <sup>6</sup>	32.18
Datuk Kamarudin bin Meranun <sup>5</sup>	2,000,000	0.06	1,075,485,082 <sup>6</sup>	32.18

Remark:

- Shares held under RHB Capital Nominees (Tempatan) Sdn. Bhd. and HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Live Sdn. Bhd.
- Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Tune Air Sdn. Bhd.
- Shares held under Citigroup Nominees (Tempatan) Sdn. Bhd. For Employees Provident Fund Board
- Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Tan Sri Dr. Anthony Francis Fernandes.
- Shares held under HSBC Nominees (Tempatan) Sdn. Bhd. for Datuk Kamarudin Bin Meranun.
- Deemed interested by virtue of Section 8 of the Companies Act, 2016, Suruhanjaya Syarikat Malaysia (SSM) through a shareholding of more than 20% in Tune Live Sdn. Bhd and Tune Air Sdn. Bhd.

## 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 dividend 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 2018, Asia Aviation the Board of Directors' Meeting passed the resolution approving two interim dividend payments as follows:

By resolution of the Board of Directors' Meeting No. 4/2018 on May 11, 2018, it approved the first interim dividend payment in cash from operations for the period from January 1 to May 14, 2018 and retain earning at 0.20 Baht per share, totaling Baht 970 million to the Shareholders who are entitled to receive the dividend on May 28, 2018. The dividend payment was paid to shareholders on June 8, 2018.

In addition, by resolution of the Board of Directors' Meeting No. 6/2018 on September 12, 2018, it approved the second interim dividend payment in cash from retain earning at 0.135 Baht per share, totaling Baht 654.75 million to the Shareholders who are entitled to receive the dividend on September 26, 2018. The dividend payment was paid to shareholders on October 9, 2018.

### Thai AirAsia Company Limited

Thai AirAsia may consider paying dividend 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.

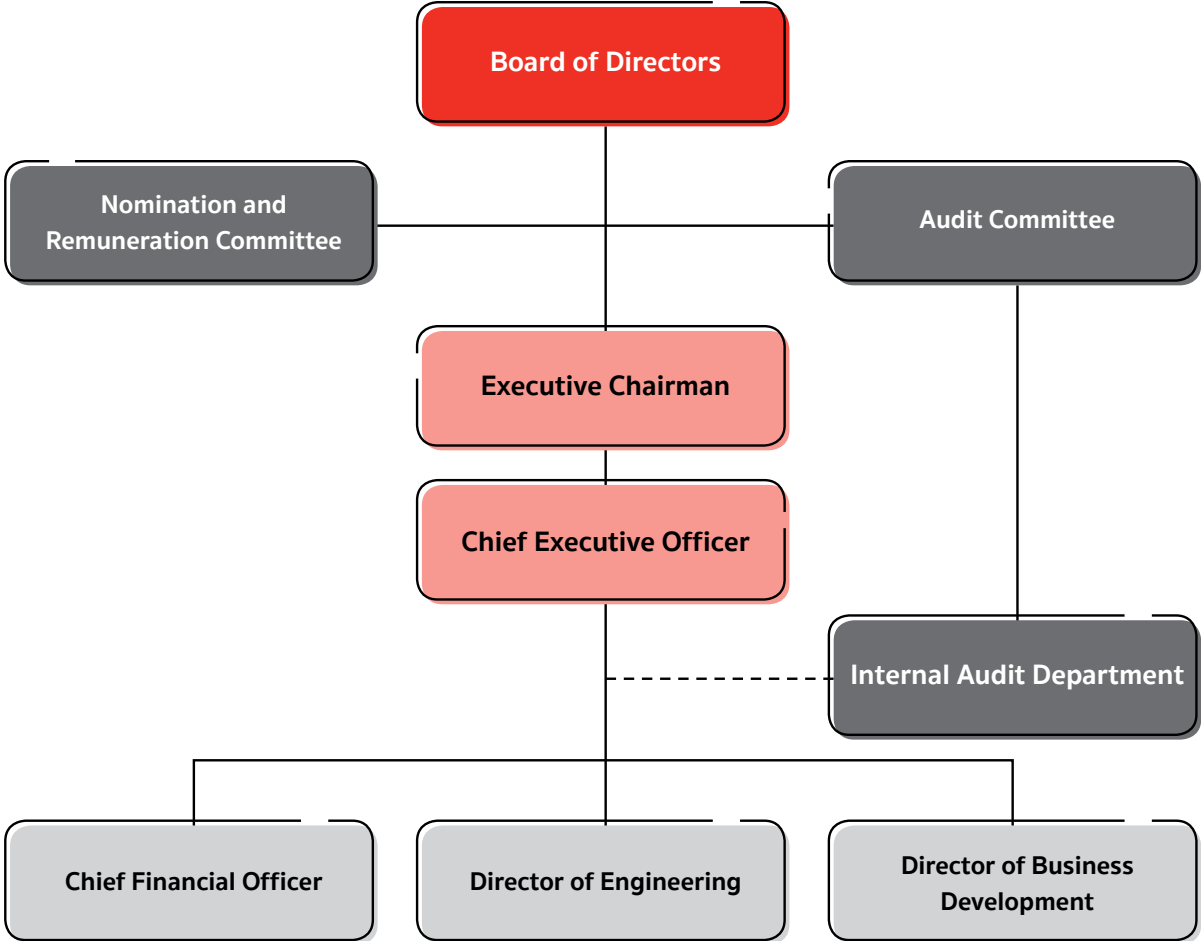
In 2018, Thai AirAsia the Board of Directors' Meeting passed the resolution approving two interim dividend payments as follows:

By resolution of the Board of Directors' Meeting No. 3/2018 on May 11, 2018, it approved the first interim dividend payment in cash from operations for the period from January 1 to March 31, 2018 at 41.00 Baht per share (Asia Aviation holds 23,955,553 shares, representing 55% of total paid-up shares). The dividend payment is totalling Baht 982,177,673 and the payment date is on May 14, 2018.

In addition, by resolution of the Board of Directors' Meeting No. 5/2018 on September 12, 2018, it approved the second interim dividend payment in cash from retain earning at 27.40 Baht per share (Asia Aviation holds 23,955,553 shares, representing 55% of total paid-up shares). The dividend payment is totalling Baht 656,382,152.20 and the payment date is on September 12, 2018.

# MANAGEMENT STRUCTURE

MANAGEMENT STRUCTURE OF ASIA AVIATION PUBLIC COMPANY LIMITED AS OF DECEMBER 31, 2018



## MANAGEMENT STRUCTURE

Management structure of Asia Aviation consists of the Board of Directors and two subcommittees, namely the Audit Committee and the Nomination and Remuneration Committee. The details of all the Committees are as follows:

## THE BOARD OF DIRECTORS

As of December 31, 2018, Asia Aviation's Board of Directors consists of 9 Directors as follows:

Name	Position
1. Mr. Vichate Tantiwanich*	Chairman of the Board / Independent Director / Chairman of the Audit Committee
2. Mr. Nuttawut Phowborom	Director / Independent Director / Audit Committee
3. Mr. Veerayooth Bodharamik*	Director / Independent Director / Audit Committee
4. Mr. Tassapon Bijleveld	Director
5. Mr. Santisuk Klongchaiya	Director
6. Gp.Capt.Tanapat Ngamplang	Director
7. Mr. Preechaya Rasametanin	Director
8. M.L. Bovornovadep Devakula	Director
9. Mr. Phairat Pornpathananangoon	Director

\* The Board of Directors Meeting No. 3/2018 on February 22, 2018 passed a resolution to appoint Mr. Vichate Tantiwanich to be Chairman of the Board, Chairman of the Audit Committee and Nomination and Remuneration Committee replacing Mr. Arak Chonlatanon and to appoint Mr. Veerayooth Bodharamik to be Director, Audit Committee and Nomination and Remuneration Committee replacing Mr. Kasemsit Pathomsak by term of director will equal to remaining period, effective on February 22, 2018 onwards.

### Authorised Directors

"Any one of Mr. Tassapon Bijleveld or Mr. Santisuk Klongchaiya jointly signing with any one of Mr. Phairat Pornpathananangoon or Gp.Capt.Tanapat Ngamplang or M.L. Bovornovadep Devakula or Mr. Preechaya Rasametanin, totalling two persons, with the Company's seal affixed."

### Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors of Asia Aviation shall manage 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 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, plans of work and budget of Asia Aviation and its subsidiary as prepared 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 subsidiary 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 subsidiary.
- To consider and approve related party transactions of the Company and its subsidiary in compliance with notifications and regulations of the Stock Exchange of Thailand.
- To set in place the corporate governance policy and its effective implementation including annual review.
- To appoint the subcommittees such as Audit Committee, or any other sub committees in order to appropriately assist and support the Board of Directors duties.
- To appraise their performance of Chief Executive Officer and members of 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 take appropriate decisions.
- 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.
- To arrange for the Annual General Meeting of Shareholders within four months of the end of each fiscal year of Asia Aviation.
- 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 subsidiary, unless the approvals of such transactions are consistent with the policies and criteria approved by the Shareholders Meeting or the Board of Directors Meeting.

### Board of Directors' Meeting

The followings are the details of attendance of the Board of Directors' Meeting in 2018

Name	No. of Attendance/ Total Meeting
1. Mr. Vichate Tantiwanich*	3/7
2. Mr. Nuttawut Phowborom	6/7
3. Mr. Veerayooth Bodharamik*	4/7
4. Mr. Tassapon Bijleveld	7/7
5. Mr. Santisuk Klongchaiya	7/7
6. Gp.Capt.Tanapat Ngamplang	6/7
7. Mr. Preechaya Rasametanin	5/7
8. M.L. Bovornovadep Devakula	7/7
9. Mr. Phairat Pornpathananangoon	7/7

\* The effective date of Director appointment was February 22, 2018 and the first attending was the Board of Directors Meeting No. 4/2018.

## AUDIT COMMITTEE

Asia Aviation's Audit Committee comprises three Independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board. As of December 31, 2018, the Company's Audit Committee is as follows:

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of Audit Committee
2. Mr. Nuttawut Phowborom	Audit Committee
3. Mr. Veerayooth Bodharamik	Audit Committee

Mr. Nuttawut Phowborom have sufficient knowledge and experience to review the reliability of the financial statements of the Company.

The Secretary to the Company's Audit Committee is Ms.Duangporn Tantiwiwat.

### Term of Positions

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

### Audit Committees' Meeting

The followings are the details of attendance of the Audit Committee's Meeting in 2018 :

Name	No. of Attendance/ Total Meeting
1. Mr. Vichate Tantiwanich*	3/4
2. Mr. Nuttawut Phowborom	3/4
3. Mr. Veerayooth Bodharamik*	3/4

\* The effective date of appointment was February 22, 2018 and the first attending was the Audit Committee Meeting No. 2/2018.

### Scope of Duties and Responsibilities of the Audit Committee

- To review the Company's financial reporting process to ensure that it is accurate and adequate.
- 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, transfer and dismissal of the head of an internal audit unit or any other unit in charge of an internal audit.
- 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.
- To consider, select and nominate 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.
- To consider the related transactions, or the transactions that may lead to conflicts 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.
- To review the Company's risk management system to ensure that the Company has appropriate and efficient risk management systems.
- To review and propose amendments related to duties and responsibilities of the Audit Committee in accordance with the circumstances.
- The Audit Committee has the authority to investigate the relevant party and has the authority to hire or bring experts to assist as necessary and appropriate.
- 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:



- a. an opinion on the accuracy, completeness and credibility of the Company's financial report;
  - b. an opinion on the adequacy of the Company's internal control system;
  - c. 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;
  - d. an opinion on the suitability of an auditor;
  - e. an opinion on the transactions that may lead to conflicts of interests;
  - f. the number of the Audit Committee Meetings, and the attendance at such meetings by each committee member;
  - g. an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
  - h. other transactions which, according to the Audit Committee's responsibilities as assigned by the Board of Directors, should be known to the Shareholders and investors.
10. If any following actions significantly affect the financial status or performance of the Company, the Audit Committee shall report to the Board of Directors for further improvement within the suitable time set by the Audit Committee:
- a. Transaction that causes the conflict of interest;
  - b. Fraud or any significant irregular events or problems in the internal control system; and
  - c. The violation of law by Security and Exchange Commission, SET's regulation or law related to the Company business.
- If the Board of Directors 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.
11. To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.
- The Audit Committee directly reports to the Board of Directors.

## MANAGEMENT

As of December 31, 2018, the list of Asia Aviation's Management is as follows :

Name	Position
1. Mr. Tassapon Bijleveld	Executive Chairman
2. Mr. Santisuk Klongchaiya	Chief Executive Officer
3. Mr. Santhat Sanguandikul	Chief Financial Officer
4. Mr. Preechaya Rasametarin	Director of Engineering
5. M.L. Bovornovadep Devakula	Director of Business Development

Remark: Management 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

### 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 Asia Aviation or its subsidiary, unless such approval is in accordance with the policy and criteria approved by the Board of Directors.

### Duties and Responsibilities of the 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 subsidiary, unless such approval is in accordance with the policy and criteria approved by the Board of Directors.

## COMPANY SECRETARY

The Board of Directors of Asia Aviation has appointed Ms. Nisres Distes as a company secretary, effective February 25, 2016, whose duties and responsibilities are as stated in the Securities and Exchange Act.

## NOMINATION AND REMUNERATION COMMITTEE

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

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

### 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 re-appointment at the end of the term.

### Nomination and Remuneration Committee's Meeting

The followings are the details of attendance of Nomination and Remuneration Committee's Meeting in 2018

Name	No. of Attendance/ Total Meeting
1. Mr. Nuttawut Phowborom	1/1
2. Mr. Vichate Tantiwanich*	0/1
3. Mr. Veerayooth Bodharamik*	0/1

\* The effective date of appointment was February 22, 2018

### Scope of Authority and Responsibilities for Nomination

1. To determine the structure, size, and composition of the Board of Directors to be suitable for the organisation and its changing environment.
2. Determine guidelines and policies in nominating Board of Directors and subcommittee 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.

3. Nominate qualified candidates for Chief Executive Officer and senior management when the position is vacant.
4. Provide opportunity for minority shareholders to nominate candidates for the Company's Directors by giving appropriate timeframe prior to the Shareholders' Meeting.
5. To perform of other tasks as assigned by the Board of Directors.

### Nomination of Directors

The Company has appointed the Nomination 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. Candidates are proposed to the Company's Board of Directors for consideration before proposing to the Shareholders' Meeting for approval (on a case-by-case basis). Nevertheless, the Nomination Committee shall consider the knowledge, capability, work experiences, and the overview of the Company's Board of Directors for skills that are still lacking. In order to recruit the candidates, the Board Skill Matrix is used for evaluating the qualification that are suitable in term of knowledge, experience and specific capabilities beneficial to the Company's operation as well as go in line with the Company's business direction and business strategy. The appointed Directors of Asia Aviation shall meet all the requirements specified under Article 68 of Public Limited Companies Act B.E. 2535 (and its amendments) and the notifications by Securities and Exchange Commission, and shall 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.

### Board Skill Matrix

The Company realises the significance of recruiting, selecting and appointing qualified candidates as the Company's Board of Directors and members of subcommittees 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-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 so that the Board is formed by qualified Directors for the Company's maximal benefits. Board Skill Matrix are as follows:

Criteria		No. of Director
Age	35 - 50 Years old	2
	51 - 60 Years old	6
	Above 60 Years old	1
Gender	Male	9
	Female	0
Moral and Ethical	Have moral and ethics.	9
Knowledge, Ability and Work Experience	Knowledge in finance and accounting,	3
	Knowledge in aviation business,	6
	Knowledge in business administration,	6
	Knowledge in marketing and marketing communications,	2
	Knowledge in law and rules and regulations related to the business,	6
	Knowledge in economics,	2
	Knowledge in engineering,	2
	Knowledge in good governance and sustainable development.	4

### Knowledge Development for the Company's Directors and Management

The Company also realises the significance of increasing knowledge and better working efficiency of the Directors, by encourage Directors, Management and employee in the Company and its subsidiary to attend training and seminars, held by such institutes as the Thai Institute of Directors, Securities and Exchange Commission, Stock Exchange of Thailand and Thai Listed Companies Association or other institutes involved with their responsibilities both in and outside the country in order to support development of their skills, knowledge and capabilities and to cope with the Company's short-term and long-term business growth. In 2018, the following Directors participated in training sessions and seminars as follows: Mr. Vichate Tantiwanich attended the Executive Education and Enrichment Institute (in partnership with SAID Business School, Oxford University); Mr. Phairat Pornpathananangoon attended the Director Certification Program DCP254/2018, the Thai Institute of Directors; and Mr. Veerayooth Bodharamik attended the Director Certification Program DCP264/2018, held by the Thai Institute of Directors.

## Composition and Nomination of the Company's Directors

The composition, appointment, withdrawal and termination of Asia Aviation's Directors shall be as prescribed by the Article of Association which can be summarised as follows:

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 residence in the Kingdom of Thailand.
2. The appointment of a Director shall be made by a majority vote at the Shareholders' Meeting in accordance with the following conditions and procedures:
  - (1) One ("1") share represents one ("1") vote;
  - (2) Each shareholder shall exercise his or her voting rights according to (1) to elect one or several persons as a Director or Directors, but the shareholder cannot divide his or her votes to any nominated Director in any number;
  - (3) The persons receiving the most votes are those who are elected to be Directors, in descending order, to the number of Directors who are to be appointed. If there is a tie in the last to be elected and this exceeds the said number of Directors, the presiding Chairman shall have an additional casting vote.
3. At every Annual General Meeting, one-third of the total number of the Directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third must retire from the office. The retiring Directors are eligible for re-election. Thus, the Director who has been in office for the longest term shall retire.
4. 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.
5. The Shareholders' Meeting may pass a resolution to remove any Director prior to retirement by rotation, by a vote of not less than three-fourths of the number of Shareholders attending the Meeting and having the right to vote, and the shares held by them shall not, in total, be less than one half the number of the shares held by the Shareholders attending the Meeting and having the right to vote.
6. 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.

## Composition and Nomination of the Audit Committee

Board of Directors shall appoint at least three 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 vacates his or her office by rotation or any other reasons, and leaves the number of less than three committee members, 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.

## Nomination of Senior Management

In nominating the candidates for Chief Executive Officer and Senior Management members. Management members will initially screen 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 list of candidates will be proposed to Nomination and Remuneration Committee for their consideration and presented to the Board of Directors for further approval.

## Scope of Authority and Responsibilities for Remuneration

1. To determine criteria and the form of payment to the Board of Directors and subcommittees 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 determine appropriate remuneration for the Board of Directors and subcommittees for the Board of Directors' consideration and propose to the Shareholders' Meeting for approval.
3. To disclose the policy for Board of Directors' remuneration, including its principles, reasons, and objectives in the Annual Report.
4. To responsible for other tasks as assigned by the Board of Directors.

## Remuneration Policy and Criteria for Directors and Management

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

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

### 1. Remuneration Policy for Directors

The Company has a policy on setting appropriate remuneration for Directors by consideration and comparison with remuneration for Directors in other leading companies in the Stock Market and companies in the same or similar industry, along with their responsibilities and their performance in relation with the business operation, and other relevant factors. The remunerations shall be in the level that can motivate and retain the Company's qualified Directors.

Remuneration Committee considers types, forms, and amount of the remuneration for Directors and subcommittee members, then the remuneration will be presented to the Board of Directors for consideration and propose to the Annual General Meeting of Shareholders for approval every year.

#### Remuneration for Directors and subcommittee members

At the Annual General Meeting of Shareholders 2018, held on April 24, 2018, approved the resolution of the remuneration year 2018 for Directors and subcommittee 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 subcommittee 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. The Directors are entitled to the said benefit only while they are serving their office terms as the Directors of Asia Aviation.

Therefore, Executive Directors shall not receive any remuneration as members of the Board or subcommittee.

## Remuneration Structure of Directors in 2018

Director	Monetary Remuneration (THB)		
	Monthly	Meeting Allowance	Bonus
<b>Board of Directors</b>			
- Chairman	100,000	100,000	0.5% of the
- member	80,000	80,000	dividend payment
<b>Audit Committee</b>			
- Chairman	100,000	-	-
- Member	80,000	-	-
<b>Nomination and Remuneration Committee</b>			
- Chairman	-	40,000	-
- Member	-	40,000	-

Monetary remunerations of the five Individual Directors who are not members of the Management are the total of Baht 14.76 million. The remunerations include salary, meeting allowance and bonus as follows:

Name	Director's Remuneration (THB)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
Mr. Vichate Tantiwanich (Chairman of the Board of Directors / Chairman of the Audit Committee / Nomination and Remuneration Committee)	3,455,713	1,000,000	-	4,455,713
Mr. Nuttawut Phowborom (Director / Audit Committee / Chairman of Nomination and Remuneration Committee)	4,067,917	960,000	40,000	5,067,917
Mr. Veerayooth Bhodharamik (Director / Audit Committee / Nomination and Remuneration Committee)	3,275,713	800,000	-	4,075,713
Mr. Arak Chonlatanon*	400,000	200,000	40,000	640,000
Mr. Kasemsit Pathomsak*	320,000	160,000	40,000	520,000

\* Held a position of director to February 22, 2018

## 2. Remuneration Policy for Senior Management

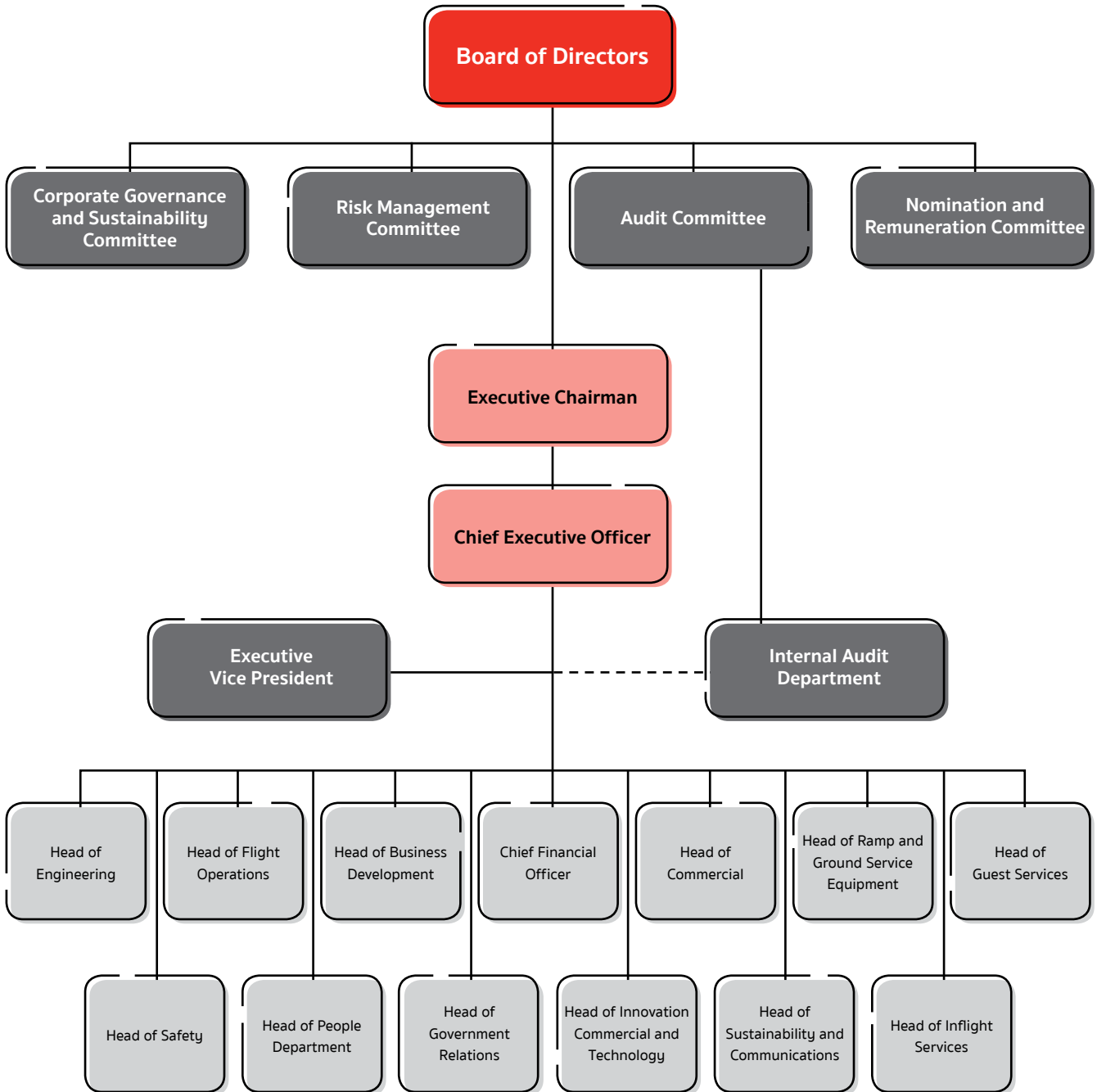
In 2018, the Company did not pay the monetary remuneration of the Management since Asia Aviation is holding company. Therefore, the policy on remuneration for Senior Management will be determined at Thai AirAsia as subsidiary and the core operating company.

## Changes in Shares Held by Board of Directors and Management in 2018

Name	Position	Number of Shares on January 10, 2018	Number of Shares on December 28, 2018	Increase (Decrease) in the Number of Shares	Share holding (%)
1. Mr. Vichate Tantiwanich*	Chairman of the Board of Directors / Chairman of the Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
2. Mr. Nuttawut Phowborom	Director / Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
3. Mr. Veerayooth Bhodharamik*	Director / Audit Committee	-	-	-	-
Spouse and minor child	-	-	-	-	-
4. Mr. Tassapon Bijjveld	Director / Executive Chairman	2,004,088,286	2,004,088,286	-	41.32
Spouse and minor child	-	-	-	-	-
5. Mr. Santisuk Klongchaiya	Director / Chief Executive Officer	9,712,091	9,712,091	-	0.20
Spouse and minor child	-	-	-	-	-
6. Gp.Capt.Tanapat Ngamplang	Director	1,200,082	600,082	(600,000)	0.012
Spouse and minor child	-	700,000	700,000	-	0.014
7. Mr. Preechaya Rasametanin	Director / Director of Engineering	19,000,000	19,000,000	-	0.39
Spouse and minor child	-	-	-	-	-
8. M.L. Bovornovadep Devakula	Director / Director of Business Development	17,351,977	17,351,977	-	0.36
Spouse and minor child	-	-	-	-	-
9. Mr. Phairat Pornpathananangoon	Director	200,000	200,000	-	0.0041
Spouse and minor child	-	-	-	-	-
10. Mr. Santhat Sanguandikul	Chief Financial Officer	-	-	-	-
Spouse and minor child	-	780,000	780,000	-	0.016

Remark: \*Amount of holding Company's shares as of the date of appointed as directors effective from February 22, 2018.

## MANAGEMENT STRUCTURE OF THAI AIRASIA COMPANY LIMITED AS OF DECEMBER 31, 2018



### MANAGEMENT STRUCTURE THAI AIRASIA AS A CORE BUSINESS OPERATION

The management structure of Thai AirAsia (“subsidiary”) consists of the Board of Directors and four subcommittees, namely the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and Corporate Governance and Sustainability Committee. The details of all the Committees are as follows:



## THE BOARD OF DIRECTORS

As of December 31, 2018, Thai AirAsia's Board of Directors consists of 9 directors as follows:

Name	Position
1. Mr. Vichate Tantiwanich*	Chairman of the Board / Independent Director / Chairman of the Audit Committee
2. Mr. Nuttawut Phowborom	Director / Independent Director/ Audit Committee
3. Mr. Tassapon Bijleveld	Director
4. Mr. Santisuk Klongchaiya	Director
5. Datuk Kamarudin Bin Meranun	Director
6. Dato' Mohamed Khadar Bin Merican	Director
7. Mr. Rozman Bin Omar**	Director
8. Mrs. Pattra Boosarawongse	Director
9. Mr. Phairat Pornpathananangoon	Director

\* The Board of Directors Meeting No. 2/2018, held on February 22, 2018 passed a resolution to appoint Mr. Vichate Tantiwanich to be Chairman of the Board of Directors, Chairman of the Audit Committee and Nomination and Remuneration Committee replacing Mr. Arak Chonlatanon by term of director will equal to remaining period, effective on February 22, 2018 onwards.

\*\* The Board of Directors Meeting No. 3/2018, held on May 11, 2018 passed a resolution to appoint Mr. Rozman Bin Omar to be Director replacing Tan Sri Dr. Anthony Francis Fernandes by term of director will equal to remaining period, effective on May 11, 2018 onwards.

Thai AirAsia's Company Secretary is Ms. Nisres Distes.

### Authorised Directors

“(i) Mr. Tassapon Bijleveld jointly signing with Mr. Santisuk Klongchaiya or Mr. Phairat Pornpathananangoon or Mrs. Pattra Boosarawongse, totaling two persons with an affixation of the Company's seal or (ii) Mr. Santisuk Klongchaiya or Mr. Phairat Pornpathananangoon or Mrs. Pattra Boosarawongse, any two of these three Directors jointly signing with any one of Datuk Kamarudin Bin Meranun or Mr. Rozman Bin Omar, totalling three persons, with an affixation of the Company's seal.”

### Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors of Thai AirAsia shall manage Thai AirAsia in accordance with the law, objectives, articles of association and resolutions of Shareholders' Meeting in an honest and prudent manner in 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 Company's assets or properties.
10. Any financial transaction of the Company, including any existing and future loan, debt or account payable or other loan obligation (or debt or account payable 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.

### Board of Directors' Meeting

The followings are the details of attendance of the Board of Directors' Meeting in 2018 :

Name	No. of Attendance / Total Meeting
<b>2018</b>	
1. Mr. Vichate Tantiwanich*	3/6
2. Mr. Nuttawut Phowborom	5/6
3. Mr. Tassapon Bijleveld	6/6
4. Mr. Santisuk Klongchaiya	6/6
5. Datuk Kamarudin Bin Meranun	2/6
6. Dato' Mohamed Khadar Bin Merican	5/6
7. Mr. Rozman Bin Omar**	3/6
8. Mrs. Pattra Boosarawongse	6/6
9. Mr. Phairat Pornpathananangoon	6/6

\* The effective date of appointment was February 22, 2018, and the first attending was the Board of Directors Meeting No. 3/2018.

\*\* The effective date of Director appointment was May 11, 2018 and the first attending was the Board of Directors Meeting No. 4/2018.

### AUDIT COMMITTEE

Thai AirAsia's Audit Committee comprises two Independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board. As of December 31, 2018, Thai AirAsia's Audit Committee is as follows:

Name	Position
1. Mr. Vichate Tantiwanich	Chairman of Audit Committee
2. Mr. Nuttawut Phowborom	Audit Committee

Mr. Nuttawut Phowborom has sufficient knowledge and experience to review the reliability of the financial statements of Thai AirAsia.

The Secretary to Thai AirAsia's Audit Committee is Ms. Duangporn Tantiwiwat.

### Term of Positions

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

### Audit Committee's Meeting

The followings are the details of attendance of the Audit Committee's Meeting in 2018

Name	No. of Attendance / Total Meeting
Mr. Vichate Tantiwanich*	3/4
Mr. Nuttawut Phowborom	4/4

\* The effective date of appointment was February 22, 2018 and the first attending was the Audit Committee Meeting No. 2/2018.

### Scope of Duties and Responsibilities of the Audit Committee

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

### CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE

Thai AirAsia's the Board of Directors Meeting No.3/2018 held on May 11, 2018 passed a resolution to appoint Corporate Governance and Sustainability Committee and comprises four Committee members. As of December 31, 2018, Thai AirAsia's Corporate Governance and Sustainability Committee is 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. Preechaya Rasametani	Corporate Governance and Sustainability Committee

The Secretary to Thai AirAsia Corporate Governance and Sustainability Committee is Ms. Topaz Subunruk.

## Term of Positions

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

## Corporate Governance and Sustainability Committee's Meeting

The followings are the details of attendance of the Corporate Governance and Sustainability Committee's Meeting in 2018.

Name	No. of Attendance / Total Meeting
1. Mr. Vichate Tantiwanich	1/1
2. Mr. Tassapon Bijleveld	1/1
3. Mr. Santisuk Klongchaiya	1/1
4. Mr. Preechaya Rasametanin	1/1

## 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 Company board 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 Company board, inspect and approve sustainable development reports for submission to the Company board

## RISK MANAGEMENT COMMITTEE

As Asia Aviation operates its business by holding shares in Thai AirAsia which is its subsidiary that operates the core business for the Company, therefore, risk management system has been established for Thai AirAsia. As of December 31, 2018, Thai AirAsia's Risk Management Committee consists of six directors as follows:

Name	Position
1. Mr. Tassapon Bijleveld	Chairman of Risk Management Committee
2. Mr. Santisuk Klongchaiya	Risk Management Committee
3. Mr. Santhat Sanguandikul	Risk Management Committee
4. M.L. Bovornovadep Devakula	Risk Management Committee
5. Gp. Capt. Surapun Patoomwat	Risk Management Committee
6. Mr. Banyat Hansakul	Risk Management Committee

## Scope of Duties and Responsibilities of the Risk Management Committee

1. Set risk management policies to cover all risks from business operation.
2. Consider and approve risk management plans.
3. Appoint risk management working groups as necessary to support risk management working groups for human resources, budgets, and other resources, in line with areas of responsibilities.
4. Follow-up the risk management procedures systematically from the start of the process to identify risks to the analysis and evaluation and report.
5. Provide advisory support to units within the organisation regarding risk management procedures with twice a year follow up and evaluation.
6. Continually report to Board of Directors / Audit Committee regarding risks and significant risk management.

## MANAGEMENT

As of December 31, 2018, 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. Preechaya Rasametnin	Executive Vice President
4. M.L. Bovornovadep Devakula	Executive Vice President
5. Mr. Santhat Sanguandikul	Chief Financial Officer
6. Gp. Capt. Surapun Patoomwat	Head of Flight Operations
7. Mr. Banyat Hansakul	Head of Engineering
8. Mrs. Thiladee Pantumchinda	Head of People Department
9. Miss Witchunee Kuntapeng	Head of Guest Service
10. Mr. Pipat Khunprakan	Head of Innovation Commercial and Technology
11. Mr. Thatri Kwansang	Head of Safety
12. Mr. Chaiwut Atthawethworawuth	Head of Government Relations
13. Miss Nattinee Tawanchulee	Head of Commercial
14. Miss On-anong Methapipatkul	Head of Inflight Services
15. Miss Topaz Subunruk	Head of Sustainability and Communications
16. Mr. Chatupong Hongwiset	Head of Ramp and Ground Service Equipment

Management means 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.

### 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 Thai AirAsia'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 Thai AirAsia'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 Thai AirAsia's Board of Directors for approval.
4. To have authorities, duties and responsibilities as assigned or in line with the policy given by Thai AirAsia'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 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 human 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, stakeholders, 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 and 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.

The 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 Thai AirAsia, unless such approval is in accordance with the policy and criteria approved by the Shareholders' Meeting or the Board of Directors.

## NOMINATION AND REMUNERATION COMMITTEE

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

Name	Position
1. Mr. Nuttawut Phowborom	Chairman of the Nomination and Remuneration Committee
2. Mr. Vichate Tantiwanich	Nomination and Remuneration Committee
3. Mr. Tassapon Bijleveld	Nomination and Remuneration 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 re-appointment at the end of the term.

### Nomination and Remuneration Committee's Meeting

The followings are the details of attendance of Nomination and Remuneration Committee's Meeting in 2018

Name	No. of Attendance / Total Meeting
1. Mr. Nuttawut Phowborom	4/4
2. Mr. Vichate Tantiwanich*	2/4
3. Mr. Tassapon Bijleveld	4/4

\* The effective date of appointment was February 22, 2018 and the first attending was Nomination and Remuneration Committee Meeting No. 3/2018.

### Scope of Authority and Responsibilities for Nomination

1. To determine the structure, size, and composition of the Board of Directors to be suitable for the organisation and its changing environment.
2. To determine guidelines and policies on nominating the Board of Directors and subcommittee 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. The nomination of Thai AirAsia's Directors shall be considered from candidates proposed by Shareholders Group A and/or Shareholders Group B as specified in Thai AirAsia's Articles of Association.

3. To nominate qualified candidates to become Chief Executive Officer and Senior Management in case of vacancy, and determine the succession plan for positions of Chief Executive Officer and Senior Management.
4. To perform of other tasks as assigned by the Board of Directors.

### Nomination of Directors

Thai AirAsia has appointed the Nomination Committee to consider qualified candidates to replace the Directors whose positions are vacant by rotation or other reasons, in consideration of candidates proposed by Shareholders Group A and/or Shareholders Group B as specified in Thai AirAsia's Articles of Association. Candidates shall be proposed to Thai AirAsia's Board of Directors for consideration before approval from Shareholders (on a case-by-case basis). Nevertheless, the Nomination Committee shall consider the knowledge, capability, work experiences, and the overview of Thai AirAsia's Board of Directors for skills that are still lacking. In order to recruit the candidates, the Board Skill Matrix is used for evaluating the qualification that are suitable in term of knowledge, experience and specific capabilities beneficial to Thai AirAsia's operation as well as go in line with Thai AirAsia's business direction and business strategy.

The appointed Directors of Thai AirAsia shall meet all the requirements specified under Article 68 of Public Limited Companies Act B.E. 2535 (and its amendments) and the notifications by Securities and Exchange Commission, and shall 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.

### Board Skill Matrix

Thai AirAsia realises the significance of recruiting, selecting and appointing qualified candidates as Thai AirAsia's Board of Directors and members of subcommittee 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 so that the Board is formed by qualified Directors for Thai AirAsia's maximal benefits. Board Skill Matrix are as follows:

	Criteria	No. of Director
<b>Age</b>	35 - 50 Years old	2
	51 - 60 Years old	6
	Above 60 Years old	1
<b>Gender</b>	Male	8
	Female	1
<b>Moral and Ethical</b>	Have moral and ethics.	9
<b>Knowledge, Ability and Work Experience</b>	Knowledge in finance and accounting,	7
	Knowledge in aviation business,	6
	Knowledge in business administration,	8
	Knowledge in marketing and marketing communications,	2
	Knowledge in law and rules and regulations related to the business,	2
	Knowledge in economics,	2
	Knowledge in engineering,	0
	Knowledge in good governance and sustainable development.	5

### Knowledge Development for Thai AirAsia's Directors and Management

Thai AirAsia also realises the significance of increasing knowledge and better working efficiency of the Directors, by encourage Directors, Management and employee in Thai AirAsia to attend training and seminars, held by such institutes as the Thai Institute of Directors, Securities and Exchange Commission, Stock Exchange of Thailand and Thai Listed Companies Association or other institutes involved with their responsibilities both in and outside the country in order to support development of their skills, knowledge and capabilities and to cope with Thai AirAsia's short-term and long-term business growth. In 2018, the following Directors participated in training sessions and seminars as follows: Mr. Vichate Tantiwanich attended the Executive Education and Enrichment Institute (in partnership with SAID Business School, Oxford University); and Mr. Phairat Pornpathananagoon attended the Director Certification Program DCP254/2018, the Thai Institute of Directors.

## The Composition and appointment of Thai AirAsia's Directors

The composition, appointment, withdrawal and termination of Thai Air Asia's Directors shall be as prescribed by the Article of Association which can be summarised as follows:

1. Thai Air Asia's Board of Directors comprises of not more than nine Directors. Number of Directors are nominated as follows:
  - i Four Directors or less shall be nominated by Group A Shareholders ("Group A Directors")
  - ii Five Directors or less shall be nominated by Group B Shareholders ("Group B Directors")

Remark: Group A Directors are the Directors nominated by AirAsia Investment and appointed as Directors.

Group B Directors are the Directors nominated by Asia Aviation and appointed as Directors.

2. At every Annual General Meeting, one-third 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 must retire from the office. The retiring Directors are eligible for re-elected.

In case of vacancy due to reasons other than by rotation, the Board of Directors shall appoint any candidate from the same Shareholder Group as the recently vacated Director to fill the position. The replacement Director shall retain the office only for the remaining term of the Director whom he/she replaces.

## The Composition and appointment of the Audit Committee

Thai AirAsia's Board of Directors shall appoint 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 Thai AirAsia, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, Major Shareholder or control person of Thai AirAsia;
2. Not being a Director of a parent company, its subsidiary company or its subsidiary company at the same level which is a listed company;
3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member; and

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

## Nomination of Senior Management

In nominating the candidates for Chief Executive Officer and Senior Management members will initially screen with appropriate and transparency process for the appropriate persons who meet the qualifications holding knowledge, capabilities, skills and experiences beneficial to Thai AirAsia's operations. Those candidates must understand Thai AirAsia'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 Thai AirAsia. For the internal candidates will consider and recruit from the successor. Those successor will be assessed their potential and the ability to prepare for the replacement of those positions whereas there are resignation 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.

## Scope of Authority and Responsibilities for Remuneration

1. To determine criteria and the form of payment to the Board of Directors and subcommittees 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 determine appropriate remuneration for the Board of Directors and subcommittees for the Board of Directors' consideration and propose to the Shareholders' Meeting for approval.
3. To disclose the policy for Board of Directors' remuneration, including its principles, reasons, and objectives in the Annual Report.
4. To evaluate the performance of the Chief Executive Officer and Senior Management in order to determine the remuneration before proposing to the Board of Directors for approval.
5. To responsible for other tasks as assigned by the Board of Directors.

## Remuneration policy and criteria for Directors and Management

Thai AirAsia's Board of Directors approves the criteria in consideration for remuneration for Directors as follows:

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

### 1. Remuneration Policy for Directors

Thai AirAsia has a policy on setting appropriate remuneration for Directors by consideration and comparison with remuneration for Directors in other leading companies in the Stock Exchange and companies in the same or similar industry, along with their responsibilities and their performance in relation with the business operation, and other relevant factors. The remunerations shall be in the level that can motivate and retain Thai AirAsia's qualified Directors and Management.

Remuneration Committee shall considers types, forms, and amount of the remuneration for Directors and subcommittee members. The remuneration for the Board of Directors and subcommittees shall be proposed to the Board of Directors Meeting and Annual General Meeting of Shareholders for approval.

### Remuneration for Directors and subcommittee members

At the Annual General Meeting of Shareholders 2018, held on April 24, 2018, the resolution was to approve the remuneration for Directors and subcommittee 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 subcommittee 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.

Therefore, Executive Directors shall not receive any remuneration as members of the Board or subcommittee.

## Structure of Directors' Remuneration in 2018

Director	Monetary Remuneration (THB)	
	Monthly	Meeting Allowance
<b>Board of Directors</b>		
- Chairman	-	100,000
- Member	-	80,000
<b>Audit Committee</b>		
- Chairman	-	100,000
- Member	-	80,000
<b>Nomination and Remuneration Committee</b>		
- Chairman	-	40,000
- Member	-	40,000



Director	Monetary Remuneration (THB)	
	Monthly	Meeting Allowance
<b>Corporate Governance and Sustainability Committee</b>		
- Chairman	-	40,000
- Member	-	40,000

Monetary remunerations of the four individual Directors who are not Executive Directors are the total of Baht 1.94 million. The remunerations include meeting allowance as follows:

Name	Director's Remuneration (THB)				Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainability Committee	
Mr. Vichate Tantiwanich (Chairman of the Board / Chairman of the Audit Committee / Chairman of Corporate Governance and Sustainability Committee / Nomination and Remuneration Committee)	300,000	300,000	80,000	40,000	720,000
Mr. Nuttawut Phowborom (Director/ Audit Committee / Chairman of Nomination and Remuneration Committee)	320,000	320,000	120,000	-	760,000
Dato' Mohamed Khadar Bin Merican (Non-Executive Director)	320,000	-	-	-	320,000
Mr. Arak Chonlatanon*	-	100,000	40,000	-	140,000

\* Held a position of director to February 22, 2018

The aforementioned policy on Directors' remuneration in 2018 is the same as the policy in 2017.

## 2. Remuneration Policy for Management

Thai AirAsia has an annual performance assessment of the Chief Executive Officer and Senior Management. The Board of Directors jointly with the Nomination and Remuneration Committee on performance evaluation based on Thai AirAsia's operating performance, implementation of the policy and the overall economic and social conditions.

The performance assessment process of the Chief Executive Officer and Senior Management is as follows:

- 1. Goal Setting:** Goals have been set for the Chief Executive Officer and Senior Management to achieve by reviewing actual performance in the past year and set goals to the current year in line with Thai AirAsia's policy and strategies. Performance indexes include financial returns, operation efficiency and quality assessment from external factors. Evaluation shall be made in three levels as follows:
  - Company Wide Goal**  
 This constitutes 30 percent of the overall evaluation - the overall organisational success jointly responsible by Senior Management, for example, income and sales growth rates, EBITDA, RASK, CASK, Customer NPS or loyalty as well as expenses, costs of damage and budget on passengers.
  - Functional Goal**  
 This functional goal constitutes 50 percent of the overall evaluation - the overall department success, responsible by each Senior Management, for example, deliveries, customer satisfaction, department income, load factor, in time performance, aircraft utilisation, etc.
  - Individual Goal**  
 This constitutes 20 percent of the overall evaluation. The individual goal reflects performance of each individual Senior Management, for example, individual mission, assignments and self-development, etc.
- 2. Mid-Year Review:** This is the process in which Senior Management reviews their performance in the first half of the year and progress of the plans set forth and has an outlook for the performance review at the year end.

- 3. Year-End Review:** This is an annual performance review in which every Senior Management evaluates performance for the whole year round into scores, compared with the goals set forth. The score given to each Senior Management will be processed to figure out appropriate short-term and long-term remuneration such as monthly salary and bonus.

In 2018, Thai AirAsia has paid remunerations for Executive Chairman, Chief Executive Officer and 16 members of the Management in total of Baht 158.91 million in the forms of salaries and bonuses.

## HUMAN RESOURCES AND TRAINING

### General Information

#### Asia Aviation

All employees of Asia Aviation had been transferred to Thai AirAsia since December 31, 2011:

#### Thai AirAsia

The number of employees as of December 31, 2018 was 5,399 persons and could be categorised by responsibility and geography as follows:

Responsibility	December 31, 2018 (Persons)
Pilot and Co-Pilot	647
Flight Attendant	1,188
Ground Operation	2,208
Engineer	496
Marketing	316
Head Office	163
Others	381
<b>Total</b>	<b>5,399</b>

Geography	December 31, 2018 (Persons)
Bangkok	3,902
Phuket	336
Chiang Mai	418
Hat Yai	153
Krabi	144
U-Tapao	151
Others	295
<b>Total</b>	<b>5,399</b>

Asia Aviation and Thai AirAsia are aware of the necessity of uninterrupted management of Thai AirAsia in order to maintain the competitive advantages Thai AirAsia has over its competitors. Therefore, Directors of Asia Aviation and Thai AirAsia believe that the continual success of Thai AirAsia depends on many factors, including the support and dedication of the Management of Asia Aviation and Thai AirAsia. Consequently, Asia Aviation and Thai AirAsia have adjusted their human resource strategies, including competitive remuneration, recruitment process that aligns with the objectives, and development and succession plans.

The loss of any key human resource may significantly cause a negative impact for Asia Aviation and Thai AirAsia. This results in the effort of Thai AirAsia to motivate and retain its staff members by motivation plans on the basis of operating outcome and skill enhancement with staff training. Thai AirAsia has regularly encouraged its employees to participate in seminars and trainings to facilitate related skill and capability enhancement (both in term of operation and development) in alignment with the business objectives. Employee training is an important path to transfer knowledge of experts toward new or low-level employees. Investment in human resources increases the capability of Thai AirAsia's employees and prepares middle- or low-level employees to take on responsibilities of more Senior Management respectively.

## LABOUR DISPUTE DURING THE LAST THREE YEARS

There has been no significant labour dispute during the last three years.

## REMUNERATION FOR HUMAN RESOURCES

### Overall Remuneration for Employees

#### Asia Aviation

For the year 2018, Asia Aviation did not have remuneration for employees because all Asia Aviation's employees had been transferred to Thai AirAsia since 31 December 2011.

#### Thai AirAsia

For the year 2018, Total remuneration for Thai AirAsia's employees includes salary, bonuses, overtime, provident funds and other compensation was Baht 5,782.49 million.

#### Provident Fund

Asia Aviation and Thai AirAsia have set up a provident fund in accordance to the Provident Fund Act B.E. 2530 (and its amendments). Asia Aviation and Thai AirAsia contribute 3 - 10% of salaries to the provident fund and employees contribute 3 - 15% of their salaries. However, Asia Aviation does not have any employee.

## STAFF DEVELOPMENT

### Training

#### Pilot

All student pilots of Thai AirAsia enroll for domestic trainings at Bangkok Aviation Center Co., Ltd (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 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 aircrafts will be required to take part in the said trainings first. Trainings for specific aircrafts 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 Asian Aviation Centre of Excellence in Kuala Lumpur.

### Cabin Crew

The 60-day (inclusive of holidays) cabin crew training projects are held at Asian Aviation Centre of Excellence in Kuala Lumpur and at the office of Thai AirAsia in Bangkok. All the trainings are facilitated by cabin crew and pilot trainers of Thai AirAsia. All the trainings cover safety operation in emergency, first aid, cabin familiarisation, public announcement, grooming, and customer services and selling skills for products on the flight. The safety factors and regulations for this project are certified by the Department of Civil Aviation.

Cabin crew shall be able to communicate in English and take part in regular trainings, for example, organisational resources management training, dangerous good management training, training to handle passengers with inappropriate manners, and terrorist identification training. Additionally, cabin crew shall also participate in the revision training for safety procedures in emergency and first aid training every year.

### Ground Staff

All ground personnel shall take part in customer service training at Asian Aviation Centre of Excellence in Kuala Lumpur, 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.

### Engineer

All engineers of Thai AirAsia shall take part in training at Asian Aviation Centre of Excellence in Kuala Lumpur. The training takes 52 days with three-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 two years in return. Engineers at Thai AirAsia are stationed at Thai AirAsia's flight centers in Bangkok (Don Mueang), Phuket, Chiang Mai, Hat Yai, Krabi and Pattaya (U-Tapao).



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# DIRECTOR AND MANAGEMENT PROFILES

## Asia Aviation Public Company Limited

As of December 31, 2018

### Mr. Vichate Tantiwanich

Chairman of the Board /  
Chairman of the Audit Committee /  
Nomination and Remuneration  
Committee

#### The date of appointment as Director

February 22, 2018

Age (years) 58

#### Number of Shares and Percentage of Asia Aviation PLC (%)<sup>1</sup>

- None -

#### Relationship with other Management<sup>2</sup>

- None -

#### Education

- MBA (Finance and Marketing), University of Hartford, Connecticut, U.S.A.
- B.A. in Economics (Monetary Economics and Public Finance), Chulalongkorn University
- Diploma, The National Defence Course (Class 56/2013), Thailand National Defence College
- Capital Market Academy Leadership Program (CMA 1/2005), Capital Market Academy, The Stock Exchange of Thailand (SET)
- Director Certification Program (DCP 2/2000), Thai Institute of Directors Association (IOD)
- Executive Education and Enrichment Institute (in partnership with SAID Business School, Oxford University)

#### 5 years past and present work experience

Period	Position	Company
2018 - present	Chairman of the Board / Chairman of the Audit Committee / Nomination and Remuneration Committee	Asia Aviation Plc.
2018 - present	Chairman of the Board / Chairman of the Audit Committee / Nomination and Remuneration Committee / Chairman of Corporate Governance and Sustainability Committee	Thai AirAsia Co., Ltd.
2018 - present	Independent Director	Buriram Sugar Plc.
2018 - present	Chairman / Independent Director	The Signature Brand Co., Ltd.
2018 - present	Chairman / Chairman of the Audit Committee	Thai Enger Holding Plc.
2018 - present	Director	The Chiangmai Juvenile and Family Court Foundation
2017 - present	Advisor to the Board	PMG Corporation Co., Ltd.
2017 - present	Independent Director / Member of Audit Committee	Wind Energy Holding Co., Ltd.
2017 - present	Independent Director	KPN Academy Co., Ltd.
2017 - present	Chairman / Chairman of the Audit Committee	GMO-Z com Security (Thailand) Ltd.
2017 - present	Independent Director / Chairman of the Audit Committee	JWD Info Logistics Plc.
2017 - present	Chairman	Sharp Wrapbiz Co., Ltd.
2016 - present	Chairman	Sell Idea Co., Ltd.
2016 - present	Chairman	Firm Co., Ltd.
2015 - present	Chairman	HBD Connect Co., Ltd.
2012 - present	Independent Director	Phatra Leasing Plc.
2012 - present	Chairman of the Executive Committee	CAC Co., Ltd.
2010 - present	Advisor to Directors of Capital Market Academy	Stock Exchange of Thailand
2006 - present	Managing Director	Vertical Link Co., Ltd.
2018	Honorary Director	the National Innovation Agency
2017 - 2018	Independent Director/ Chairman of Marketing and Public Relations Committee	Industrial Estate Authority of Thailand

Period	Position	Company
2015 - 2017	Advisor	Minister of Commerce
2015 - 2017	Independent Director	Export - Import Bank of Thailand
2013 - 2017	Appellate Sub-committee	Securities and Exchange Commission of Thailand (SEC)
2012 - 2017	Director	Thai Financial Planners Association
2012 - 2017	Senior Vice President	Thai Beverage Plc.
2014 - 2015	Independent Director / Member of Audit Committee	Dhanarak Asset Development Co., Ltd.
2013 - 2015	IOD Advisory Committee on Research and Governance	Thai Institute of Directors Association
2012 - 2015	Independent Director / Member of Audit Committee	M Pictures Entertainment Plc.

### Director/Management Position in other companies

#### Listed Company

- Buriram Sugar Plc.
- Thai Enger Holding Plc.
- JWD InfoLogistics Plc.
- Phatra Leasing Plc.

#### Non-listed Company

- Thai AirAsia Co., Ltd.
- The Signature Brand Co., Ltd.
- The Chiangmai Juvenile and Family Court Foundation
- PMG Corporation Co., Ltd.
- Wind Energy Holding Co., Ltd.
- KPN Academy Co., Ltd.
- GMO-Z com Security (Thailand) Ltd.
- Sharp Wrapbiz Co., Ltd.
- Sell Idea Co., Ltd.
- Firm Co., Ltd.
- HBD Connect Co., Ltd.
- CAC Co., Ltd.
- Stock Exchange of Thailand
- Vertical Link Co., Ltd.

#### Other company that compete with/relate to the Company

- None -



# Mr. Nuttawut Phowborom

Director / Audit Committee /  
Chairman of Nomination and  
Remuneration Committee

## The date of appointment as Director

December 13, 2011

**Age (years)** 55

## Number of Shares and Percentage of Asia Aviation PLC (%)<sup>1</sup>

- None -

## Relationship with other Management<sup>2</sup>

- None -

## Education

- Master of Business Administration General Management, City University, USA
- Bachelor Degree of Economics, The University of the Thai Chamber of Commerce
- Director Accreditation Program (DAP 28/2004), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP 4/2005), Thai Institute of Directors Association (IOD)
- Role of the Compensation Committee (RCC 6/2008), Thai Institute of Directors Association (IOD)

## 5 years past and present work experience

Period	Position	Company
2011 - present	Director / Audit Committee / Chairman of Nomination and Remuneration	Asia Aviation Plc.
2011 - present	Director / Audit Committee / Chairman of Nomination and Remuneration	Thai AirAsia Co., Ltd.
2018 - present	Director	Bake Cheese Tart (Thailand) Co., Ltd.
2018 - present	Director	First Korat Wind Co., Ltd.
2018 - present	Director	Siamkoi Avenue Co., Ltd.
2018 - present	Director	Wow Factor Co., Ltd.
2017 - present	Director	Food Capitals Plc.
2016 - present	Director	Watabak Wind Co., Ltd.
2015 - present	Director	KPN Energy Holding Co., Ltd.
2015 - present	Director	KPN Healthcare Plc.
2015 - present	President	Wind Energy Holding Co., Ltd
2014 - present	Director / Vice Chairman	KPN Music Academy Co., Ltd.
2014 - present	Director / Vice Chairman	KPN Chinese Academy Co., Ltd.
2014 - present	Director	Innovative Learning and Design (Thailand) Co., Ltd.
2013 - present	Director/ Vice Chairman	KPN Tutoring Co., Ltd.
2013 - present	Director/ Vice Chairman	KPN Academy Co., Ltd.
2013 - present	Audit Committee / Independent Director	Finansa Plc.
2010 - present	Executive Director	KPN Music Co., Ltd.
2010 - present	Executive Director	Eastern Cuisine (Thailand) Co., Ltd.
2007 - present	Director	K.N. and Associates Co., Ltd.
2006 - present	Director	KPN Music & Entertainment Co., Ltd.
2002 - present	Chairman	Siam Koi Co., Ltd.
present	Director	Sport Society Co., Ltd.
present	Director / Vice Chairman	Penta Systems Co., Ltd.
present	Director	KPN Innovation Co., Ltd.
present	Director	K.E.C.International Co., Ltd.
present	Director/ Vice Chairman	Siam Wilson Learning Co., Ltd.
present	Director	Dudu Nong Co., Ltd.
2017 - 2018	Director	KPN-KEPPEL ALLIANCE (SK19) Co., Ltd.
2017 - 2018	Director	KPN-KEPPEL ALLIANCE (SK28) Co., Ltd.
2016 - 2018	Director / Group Chief Executive Officer	KPN Group Corporation Co., Ltd.
2016 - 2018	Director / Chief Executive Officer	KPN Land Co., Ltd

Period	Position	Company
2015 - 2018	Director	KPN Holding Co., Ltd
2009 - 2018	Director	KPN Award Co., Ltd.
1996 - 2018	Chief Financial Officer	KPN Group Corporation Co., Ltd.
2014 - 2017	Director / Vice Chairman	KPN Tutoring Academy Co., Ltd.
2013 - 2017	Executive Director	KPN Golf Academy Co., Ltd.
2013 - 2017	Executive Director	INT Aviation Co., Ltd.
2010 - 2017	Audit Committee/ Independent Director	Matching Maximize Solution Plc.
2008 - 2016	Director	KPN Music Room Co., Ltd.
2008 - 2016	Director	KPN Music Siam Square Co., Ltd.
2014 - 2015	Chief Executive Officer	KPN Group Corporation Co., Ltd.
2008 - 2014	Director	KPN Music Chiangmai Co., Ltd.
2006 - 2014	Director	Computer and Consultant Services Co., Ltd.
2006 - 2014	Director	PS Business Trading Corp., Ltd.
2006 - 2014	Director	Siam Khonkaen Co., Ltd.
2006 - 2014	Director	MB Business Trading Corp., Ltd.

### Director/Management Position in other companies

#### Listed Company

- Finansa Plc.
- Food Capitals Plc.

#### Non-listed Company

- Thai AirAsia Co., Ltd.
- Bake Cheese Tart (Thailand) Co., Ltd.
- Siamkoi Avenue Co., Ltd.
- First Korat Wind Co., Ltd.
- Wow Factor Co., Ltd.
- Watabak Wind Co., Ltd.
- KPN Energy Holding Co., Ltd.
- Wind Energy Holding Co., Ltd
- KPN Healthcare Plc.
- KPN Music Academy Co., Ltd.
- KPN Chinese Academy Co., Ltd.
- Innovative Learning and Design (Thailand) Co., Ltd.
- KPN Tutoring Co., Ltd.
- KPN Academy Co., Ltd.
- KPN Music Co., Ltd.
- Eastern Cuisine (Thailand) Co., Ltd.
- K.N. and Associates Co., Ltd.
- KPN Music & Entertainment Co., Ltd.
- Siam Koi Co., Ltd.
- Sport Society Co., Ltd.
- Penta Systems Co., Ltd.
- KPN Innovation Co., Ltd.
- K.E.C.International Co., Ltd.
- Siam Wilson Learning Co., Ltd.
- Dudu Nong Co., Ltd.

#### Other company that compete with/relate to the Company

- None -

# Mr. Veerayooth Bodharamik

Director / Audit Committee /  
Nomination and Remuneration  
Committee

**The date of appointment as Director**  
February 22, 2018

**Age (years)** 49

**Number of Shares and Percentage of  
Asia Aviation PLC (%)<sup>1</sup>**  
- None -

**Relationship with other Management<sup>2</sup>**  
- None -

## Education

- Bachelor's Degree in Faculty of Law, Chulalongkorn University
- Director Certification Program (DCP 264/2018),  
Thai Institute of Directors Association (IOD)

## 5 years past and present work experience

Period	Position	Company
2018 - present	Director / Audit Committee / Nomination and Remuneration Committee	Asia Aviation Plc.
2018 - present	Director / Audit Committee	Electronics Industry Plc.
2017 - present	Vice President Corporate Relation	Mono Technology Plc.
2015 - present	Managing Director	V.B.Corporation Co., Ltd.
2011 - present	Vice President Office of CEO	Jasmine International Plc.
2009 - present	Vice President Government Affairs and Community Management Division	Areeya Property Plc.
2011 - 2017	Team Manager BBCU	Big Bang Chula United Football Club

## Director/Management Position in other companies

### Listed Company

- Electronics Industry Plc.
- Mono Technology Plc.
- Jasmine International Plc.
- Areeya Property Plc.

### Non-listed Company

- V.B.Corporation Co., Ltd.

### Other company that compete with/relate to the Company

- None -

## Mr. Tassapon Bijleveld

Director / Executive Chairman  
(The director who is authorised to sign  
on behalf of the Company)

**The date of appointment as Director**  
June 21, 2007

**The date of appointment as  
Executive Chairman**  
May 14, 2018

**Age (years)** 52

**Number of Shares and Percentage of  
Asia Aviation PLC (%)<sup>1</sup>**  
41.32

**Relationship with other Management<sup>2</sup>**  
- None -

### Education

- Master Degree of Science Thammasart University, Master in Marketing Program
- Bachelor Degree of Business Administration Major in Marketing, Assumption University (ABAC)
- Director Certification Program (DCP 148/2011), Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP 81/2009), Thai Institute of Directors Association (IOD)
- The Capital Market Academy (CMA 13)

### 5 years past and present work experience

Period	Position	Company
2007 - present	Director	Asia Aviation Plc.
2018 - present	Executive Chairman	Asia Aviation Plc.
2003 - present	Director	Thai AirAsia Co., Ltd.
2018 - present	Executive Chairman / Corporate Governance and Sustainability Committee	Thai AirAsia Co., Ltd.
2018 - present	Director	Tune Money Co., Ltd.
2018 - present	Director	Red Aviation Co., Ltd.
2018 - present	Director	Wonder Health Co., Ltd.
2017 - present	Director	Bangkok Aviation Center Co., Ltd.
2017 - present	Director	Kampee Corporation Co., Ltd.
2017 - present	Director	Kampee Logistics Co., Ltd.
2016 - present	Director	Suadam Corporation Co., Ltd.
2014 - present	Director	Tune Insurance Plc.
2013 - present	Director	Thai AirAsia X Co., Ltd.
2013 - present	Director	Ivory Coffee Co., Ltd.
2012 - present	Director	Evermore Asset Co., Ltd.
2018	The Chairman of the Board	Three Sixty Five Plc.
2010 - 2018	Director	Wealth Ventures Co., Ltd.
2007 - 2018	Chief Executive Officer	Asia Aviation Plc.
2003 - 2018	Chief Executive Officer	Thai AirAsia Co., Ltd.
2015 - 2017	Director	Accellence (Thailand) Co., Ltd.
2015 - 2017	Director	Information Technology Group Co., Ltd.
2015 - 2016	Director	C and A Entertainment Co., Ltd.
2015 - 2016	Director	Ample Wealth Co., Ltd.
2015	Director	C True Co., Ltd.
2014 - 2016	Director	Fashion Asia Co., Ltd.
2011 - 2014	Director	Dontree Leela Carabao Co., Ltd.

### Director/Management Position in other companies

**Listed Company** - None -

#### Non-listed Company

- |  |                                |                            |
|--|--------------------------------|----------------------------|
| - Thai AirAsia Co., Ltd.               | - Wonder Health Co., Ltd.      | - Tune Insurance Plc.      |
| - Bangkok Aviation Center<br>Co., Ltd. | - Kampee Corporation Co., Ltd. | - Thai AirAsia X Co., Ltd. |
| - Kampee Logistics Co., Ltd.           | - Ivory Coffee Co., Ltd.       | - Tune Money Co., Ltd.     |
| - Red Aviation Co., Ltd.               | - Suadam Corporation Co., Ltd. | - Evermore Asset Co., Ltd. |

#### Other company that compete with/relate to the Company

- None -

## Mr. Santisuk Klongchaiya

Director / Chief Executive Officer  
(The director who is authorised to sign on behalf of the Company)

**The date of appointment as Director**  
December 13, 2011

**The date of appointment as Chief Executive Officer**  
May 14, 2018

**Age (years)** 53

**Number of Shares and Percentage of Asia Aviation PLC (%)<sup>1</sup>**  
0.20

**Relationship with other Management<sup>2</sup>**  
- None -

### Education

- Master Degree of Science Thammasart University, Master in Marketing Program
- Bachelor Degree of Business Administration Major in Marketing, Assumption University (ABAC)
- Directors Certification Program (DCP 143/2011), Thai Institute of Directors Association (IOD)
- Financial Statement For Directors Class 11/2011, Thai Institute of Directors Association (IOD)

### 5 years past and present work experience

Period	Position	Company
2011 - present	Director	Asia Aviation Plc.
2018 - present	Chief Executive Officer	Asia Aviation Plc.
2017 - present	Director	Thai AirAsia Co., Ltd.
2018 - present	Chief Executive Officer / Corporate Governance and Sustainability Committee	Thai AirAsia Co., Ltd.
2011 - 2018	Director of Commercial	Asia Aviation Plc.
2007 - 2018	Head of Commercial and Ancillary	Thai AirAsia Co., Ltd.
2015 - 2016	Director	Thai AirAsia Co., Ltd.

### Director/Management Position in other companies

**Listed Company** - None -  
**Non-listed Company** - Thai AirAsia Co., Ltd.  
**Other company that compete with/relate to the Company**  
 - None -

## Gp. Capt. Tanapat Ngamplang

Director  
(The director who is authorised to sign on behalf of the Company)

**The date of appointment as Director**  
December 27, 2017

**Age (years)** 62

**Number of Shares and Percentage of Asia Aviation PLC (%)<sup>1</sup>**  
0.0268

**Relationship with other Management<sup>2</sup>**  
- None -

### Education

- Master of Business Administration in International Business, Krirk University
- Bachelor of Art in Public Administration, Sukhothai Thammathirat Open University
- Bachelor of Science in Electrical Engineering, Royal Thai Air Force Academy
- The National Defence College of Thailand (NDC 5222)
- Air Command and Staff course 1993
- Flying Safety Officers' Course of Royal Australia Airforce 1988
- Squadron Officer course 1987, Flight instructor course 1982, Flight navigator course 1981, Royal Thai Air force pilot course 1980
- Directors Certification Program (DCP 143/2011) Thai Institute of Directors Association (IOD)
- Financial Statement for Directors class 11/2011 Thai Institute of Directors Association (IOD)

### 5 years past and present work experience

Period	Position	Company
2017 - present	Director	Asia Aviation Plc.
2016 - present	Consultant	Thai AirAsia Co., Ltd.
2014 - 2016	Executive Vice President	Thai AirAsia Co., Ltd.
2007 - 2016	Director/ Director of Flight Operations	Asia Aviation Plc.
2003 - 2014	Head of Flight Operations	Thai AirAsia Co., Ltd.
2008 - 2011	Director	Thai AirAsia Co., Ltd.

### Director/Management Position in other companies

**Listed Company** - None -  
**Non-listed Company** - Thai AirAsia Co., Ltd.  
**Other company that compete with/relate to the Company**  
 - None -

## Mr. Preechaya Rasametanin

Director / Director of Engineering  
(The director who is authorised to sign on behalf of the Company)

### The date of appointment

December 28, 2017

**Age (years)** 60

### Number of Shares and Percentage of Asia Aviation PLC (%)<sup>1</sup>

0.3918

### Relationship with other Management<sup>2</sup>

- None -

### Education:

- Bachelor of Science in Mechanical Engineering, Royal Thai Air Force Academy
- Directors Certification Program (DCP 144/2011), Thai Institute of Directors Association (IOD)
- Financial Statement For Directors Class 11/2011, Thai Institute of Directors Association (IOD)

### 5 years past and present work experience

Period	Position	Company
2017 - present	Director	Asia Aviation Plc.
2007 - present	Director of Engineering	Asia Aviation Plc.
2014 - present	Executive Vice President	Thai AirAsia Co., Ltd.
2018 - present	Corporate Governance and Sustainability Committee	Thai AirAsia Co., Ltd.
2007 - 2016	Director	Asia Aviation Plc.
2007 - 2015	Director	Thai AirAsia Co., Ltd.
2004 - 2014	Director of Engineering	Thai AirAsia Co., Ltd.

### Director/Management Position in other companies

**Listed Company** - None -

**Non-listed Company** - Thai AirAsia Co., Ltd.

### Other company that compete with/relate to the Company

- None -

## M.L. Bovornovadep Devakula

Director /  
Director of Business Development  
(The director who is authorised to sign on behalf of the Company)

### The date of appointment

December 27, 2017

**Age (years)** 58

### Number of Shares and Percentage of Asia Aviation PLC (%)<sup>1</sup>

0.3578

### Relationship with other Management<sup>2</sup>

- None -

### Education

- Bachelor of Science, State University of New York, USA
- Diploma in Science, Kemper Military College, Missouri, USA
- Directors Certification Program (DCP 144/2011), Thai Institute of Directors Association (IOD)
- Financial Statement For Directors class 12/2011, Thai Institute of Directors Association (IOD)

### 5 years past and present work experience

Period	Position	Company
Dec 2017 - present	Director	Asia Aviation Plc.
2011 - present	Director of Business Development	Asia Aviation Plc.
2018 - present	Executive Vice President	Thai AirAsia Co., Ltd.
2014 - present	Director	Dalvey Holdings Co., Ltd.
2014 - present	Director	Econolodge Co., Ltd.
2004 - 2018	Head of Business Development	Thai AirAsia Co., Ltd.
2011 - Aug 2017	Director	Asia Aviation Plc.
2014 - 2015	Director	Thai AirAsia Co., Ltd.

### Director/Management Position in other companies

**Listed Company** - None -

### Non-listed Company

- Thai AirAsia Co., Ltd.
- Econolodge Co., Ltd.
- Dalvey Holdings Co., Ltd.

### Other company that compete with/relate to the Company

- None -

## Mr. Phairat Pornpathananangoon

Director  
(The director who is authorised to sign on behalf of the Company)

### The date of appointment

December 27, 2017

**Age (years)** 44

### Number of Shares and Percentage of Asia Aviation PLC (%)<sup>1</sup>

0.0041

### Relationship with other Management<sup>2</sup>

- None -

### Education

- Master of Business Administration, San Diego State University
- Bachelor of Accounting, Thammasat University
- Directors Certification Program (DCP 254/2018), Thai Institute of Directors Association (IOD)

### 5 years past and present work experience

Period	Position	Company
2017 - present	Director	Asia Aviation Plc.
2017 - present	Director	Thai AirAsia Co., Ltd.
2014 - present	Director / Chief Financial Officer	Thai AirAsia X Co., Ltd.
2017	Director	Tree Dance Publishing Co., Ltd.
2017	Director	Tree Dance Active Co., Ltd.
2017	Director	In Publishing Co., Ltd.
2016 - 2017	Director	Tree Dance Holdings Co., Ltd.
2016 - 2017	Director	Image Publishing Co., Ltd.
2004 - 2014	Financial Controller	Thai AirAsia Co., Ltd.

### Director/Management Position in other companies

**Listed Company** - None -

#### Non-listed Company

- Thai AirAsia Co., Ltd. - Thai AirAsia X Co., Ltd.

#### Other company that compete with/relate to the Company

- None -

## Mr. Santhat Sanguandikul

Chief Financial Officer

### The date of appointment

July 6, 2016

**Age (years)** 55

### Number of Shares and Percentage of Asia Aviation PLC (%)<sup>1</sup>

0.0161

### Relationship with other Management<sup>2</sup>

- None -

### Education

- Master Degree of Business Administration (Finance), University of Denver
- Bachelor of Accountancy, Chulalongkorn University

### 5 years past and present work experience

Period	Position	Company
2016 - present	Chief Financial Officer	Asia Aviation Plc.
2016 - present	Chief Financial Officer	Thai AirAsia Co., Ltd.
2010 - 2016	Deputy Managing Director	Thanachart Securities Co., Ltd.

### Director/Management Position in other companies:

**Listed Company** - None -

**Non-listed Company** - Thai AirAsia Co., Ltd.

#### Other company that compete with/relate to the Company

None -

<sup>1</sup> Including the shareholding from spouse and minor child

<sup>2</sup> Family relationship means relation from blood, wedding and registered by laws

# DIRECTOR PROFILES

## Thai AirAsia Company Limited

As of December 31, 2018

### Mr. Vichate Tantiwanich

**The date of appointment**

February 22, 2018

### Mr. Santisuk Klongchaiya

**The date of appointment**

December 27, 2017

### Mr. Nuttawut Phowborom

**The date of appointment**

December 13, 2011

### Mr. Phairat Pornpathananangoon

**The date of appointment**

December 27, 2017

### Mr. Tassapon Bijleveld

**The date of appointment**

September 19, 2003

(Details as referred in Asia Aviation Plc.)

### Datuk Kamarudin Bin Meranun

Director

(The director who is authorised to sign on behalf of the Company)

**The date of appointment**

November 12, 2003

**Age (years)** 57

**Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>**

- None -

**Relationship with other Management<sup>2</sup>**

- None -

#### Education

- Master of Business Administration, (Finance) Central Michigan University
- Bachelor of Science degree, magna cum laude (Finance), Central Michigan University
- Diploma in Actuarial Science, University Technology MARA

#### 5 years past and present work experience

Period	Position	Company
2003 - present	Director	Thai Airasia Co., Ltd.
2003 - present	Director	AirAsia Investment Ltd.
2018 - present	Executive Chairman	AirAsia Group Berhad
2001 - present	Executive Chairman	AirAsia Berhad
2018 - present	Director	AirAsia Philippines, Inc.
2018 - present	Director	Philippines AirAsia, Inc.
2018 - present	Director	RedBeat Ventures Sdn. Bhd.
2017 - present	Commissioner	PT. Airasia Indonesia TBK
2016 - present	Director	AirAsia Pte. Ltd.
2016 - present	Director	Tune Live Sdn. Bhd.
2014 - present	Director	Asia Aviation Capital Limited
2014 - present	Director	AirAsia Global Shared Services Sdn. Bhd.
2014 - present	Director	GCG Capital Limited
2014 - present	Director	Epik Shop Sdn. Bhd. (formerly known as Rokki Shop Sdn. Bhd.)
2014 - present	Director	Lancefield Property SARL
2014 - present	Director	New Queens Park Development SARL
2014 - present	Director	Oakfield Property SARL
2014 - present	Director	Biglife Sdn. Bhd. (Formerly known as Big Loyalty Sdn. Bhd. and Think Big Digital Sdn. Bhd.)



Period	Position	Company
2014 - present	Director	Tune Money International Sdn. Bhd. (in liquidation)
2013 - present	Director	Big Duty Free Sdn. Bhd. (in liquidation)
2013 - present	Director	CJS Aviation Pte. Ltd. (in liquidation)
2013 - present	Director	Educ8 Group Sdn. Bhd.
2013 - present	Director	Rangers Developments Ltd.
2013 - present	Director	Rangers Stadium Development Ltd.
2013 - present	Non Independent Non-Executive Director	Tune Protect Group Berhad
2012 - present	Director	DCS Energy Sdn. Bhd.
2012 - present	Director	Epsom College Malaysia Sdn. Bhd.
2011 - present	Director	Caterham Cars Ltd.
2011 - present	Director	Caterham Cars Group Ltd.
2011 - present	Director	Caterham Enterprises Ltd.
2011 - present	Director	Caterham Merchandising Ltd. (in liquidation)
2011 - present	Director	Caterham Technology & Innovation Ltd. (in liquidation)
2011 - present	Director	EQ8 Limited (in liquidation)
2011 - present	Director	QPR Asia Sdn. Bhd.
2011 - present	Director	QPR Holdings Ltd.
2011 - present	Director	The Queens Park Rangers Football & Athletic Club Ltd.
2010 - present	Director	Caterham Factory Limited
2010 - present	Director	Caterham Ventures Sdn. Bhd.
2010 - present	Director	Tune Group.com Ltd.
2010 - present	Director	Tune Studios Sdn. Bhd.
2010 - present	Director	Tune Tones Sdn. Bhd.
2009 - present	Director	Intrinsic Capital Management Sdn. Bhd.
2008 - present	Director	Aero Ventures Sdn. Bhd. (in liquidation)
2008 - present	Director	AirAsia Corporate Services Limited
2008 - present	Director	Muncul Juara Sdn. Bhd.
2008 - present	Director	Pacific Gem Sdn. Bhd.
2008 - present	Director	Tune Group Sdn. Bhd.
2008 - present	Director	Tune Hotels Management Sdn. Bhd.
2008 - present	Director	Sofa Al Azhar Sdn. Bhd.
2007 - present	Director	New Haven Resort Sdn. Bhd.
2007 - present	Director	Tune Hotels Sdn. Bhd.
2007 - present	Director	Tune Longhaul Sdn. Bhd. (in liquidation)
2007 - present	Director	BigPay Malaysia Sdn. Bhd. (Formerly known as Tpaay Asia Sdn. Bhd.)
2007 - present	Director	Tune Talk Sdn. Bhd.
2006 - present	Non Independent Non-Executive Director	AirAsia X Berhad
2006 - present	Director	All Agile Industries Sdn. Bhd.
2006 - present	Director	Yayasan Pendidikan Titiwangsa
2005 - present	Director	Dragonback Media Interactive Sdn. Bhd. (in liquidation)
2005 - present	Director	Tune Hotels.com Limited
2005 - present	Director	Tuneasia.com Sdn. Bhd. (S308(4))

Period	Position	Company
2005 - present	Director	Wheatley Sdn. Bhd.
2004 - present	Director	AirAsia (Mauritius) Ltd.
2004 - present	Director	AirAsia Go Holiday Sdn. Bhd.
2003 - present	Director	Chestar Properties Sdn. Bhd.
2002 - present	Director	Domeplex Consolidated Sdn. Bhd.
2001 - present	Director	Persian Beauty Sdn. Bhd.
2001 - present	Director	Tune Air Sdn. Bhd.
2000 - present	Director	Incam Consulting & Trading Sdn. Bhd.
2000 - present	Director	Incam Corporation Sdn. Bhd.
2000 - present	Director	Incam Equity Sdn. Bhd.
2000 - present	Director	Incam Resources Sdn. Bhd.
1996 - present	Director	Incam Global Sdn. Bhd.
1995 - present	Director	Raindance Music Sdn. Bhd.
1995 - present	Director	Red Podium Sdn. Bhd.
1993 - present	Director	Nescorp Resources Sdn. Bhd.
1991 - present	Director	Music Works Sdn. Bhd.
Present	Director	AirAsia Inc.
Present	Commissioner	PT Indonesia AirAsia
2014 - 2018	Director	BIG Investments Ltd.
2016 - 2018	Director	Tune Capital Limited
2011 - 2018	Director	CJ Aviation Holdings Pte. Ltd.
2011 - 2017	Director	Ultimate Skyline Sdn. Bhd. (formerly known as Carterhamjet Malaysia Sdn. Bhd.)
2014 - 2016	Director	roKKi Retail Ltd.
2013 - 2016	Director	Caterham Moto Racing Ltd. (Dissolved)
2011 - 2016	Director	Caterham Bikes Ltd. (Dissolved)
2011 - 2016	Director	Caterham Composites Ltd. (Dissolved)
2009 - 2016	Director	Due Voci LLC (Dissolved)
2008 - 2016	Director	Tune Service Sdn. Bhd.
2014 - 2015	Director	CaterhamJet International Ltd. (Deregistered)
2010 - 2015	Director	Dinato Racing Ltd.
2012 - 2014	Director	Caterham Tech (M) Sdn. Bhd.
2011 - 2014	Director	Tune Live Sdn. Bhd.

# Dato' Mohamed Khadar Bin Merican

Director

## The date of appointment

December 9, 2016

**Age (years)** 62

## Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

- None -

## Relationship with other Management<sup>2</sup>

- None -

## Education

- Accountancy, Member of Institute of Chartered Accountants in England & Wales
- Accountancy, Member of Malaysian Institute of Accountants

## 5 years past and present work experience

Period	Position	Company
2016 - present	Director	Thai Airasia Co., Ltd.
2018 - present	Independent Non-Executive Director	AirAsia Group Berhad
2018 - present	Independent Non-Executive Chairman	Bonia Corporation Bhd.
2015 - present	Chairman	RCL Agencies (M) Sdn. Bhd.
2013 - present	Independent Non-Executive Director	Sona Petroleum Berhad (in Members' Voluntary Liquidation)
2005 - present	Chairman	SOGO (K.L.) Department Store Sdn. Bhd.
2003 - present	Director	MKM Resources Sdn. Bhd.
2002 - present	Independent Non-Executive Director	Rashid Hussain Berhad (In Members' Voluntary Liquidation)
1996 - present	Director	Fernrite Sdn. Bhd.
2016 - 2018	Independent Non-Executive Director	AirAsia Berhad
2013 - 2017	Independent Director	Ideate Media Sdn. Bhd.
2011 - 2017	Non-Independent Non-Executive Director	Astro Malaysia Holdings Berhad
2011 - 2017	Independent Director	Astro Overseas Ltd.
2003 - 2017	Independent Director	Astro All Asia Networks Limited
2013 - 2016	Director	RHB Investment Bank Berhad
2013 - 2016	Director	RHB Securities (Thailand) Plc.
2011 - 2016	Director	RHB Bank Berhad
2009 - 2016	Chairman	RHB Capital Berhad

## Mr. Rozman Bin Omar

Director  
(The director who is authorised to sign on behalf of the Company)

**The date of appointment**  
May 11, 2018

**Age (years)** 56

**Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>**  
- None -

**Relationship with other Management<sup>2</sup>**  
- None -

### Education

- Accountancy, The Association of Chartered Certified Accountants

### 5 years past and present work experience

Period	Position	Company
2018 - present	Director	Thai AirAsia Co., Ltd.
2017 - present	Executive Director	AirAsia Investment Ltd.
2018 - present	Director	AirAsia Group (IHQ) Ltd.
2016 - present	Director	Asia Aviation Capital Pte. Ltd. (SG)
2015 - present	Company Director	Regenscience Sdn. Bhd.
2012 - present	Company Director	Cellsafe International Sdn. Bhd.
2015 - present	Director	AirAsia Global Notes Limited (In the process of dissolution)
2008 - present	Director	AirAsia Corporate Services Limited (Labuan)
2004 - 2017	Deputy Group CEO	AirAsia Berhad

## Mrs. Pattra Boosarawongse

Director  
(The director who is authorised to sign on behalf of the Company)

**The date of appointment**  
November 9, 2017

**Age (years)** 49

**Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>**  
0.0066

**Relationship with other Management<sup>2</sup>**  
- None -

### Education

- Master Degree of Finance & Accounting, Chulalongkorn University
- Bachelor degree of Commercial and Accountancy, Thammasat University
- Director Certification Program (DCP 177/2013)  
Thai Institute of Directors Association (IOD)

### 5 years past and present work experience

Period	Position	Company
2017 - present	Director	Thai AirAsia Co., Ltd.
2018 - present	Director	AirAsia Group (IHQ) Ltd.
2018 - present	Director	Ground Team Red Holdings Sdn. Bhd.
2018 - present	Director	SATS Ground Services Singapore Pte. Ltd.
2017 - present	Director	Thai Airasia X Co., Ltd.
2016 - present	Group Chief Financial Officer	AirAsia Group
2016 - present	Director	AirAsia Global Shared Services Sdn. Bhd.
2018	Director	Redcargo Logistics Sdn. Bhd.
2017 - 2018	Director	Big Pay Pte Ltd (Singapore)
2015 - 2016	Director/Chief Financial Officer	Asia Aviation Plc.
2014 - 2016	Director/Chief Financial Officer	Thai AirAsia Co., Ltd.
2013 - 2014	General Manager-Music Division	BEC-Tero Entertainment Plc.

<sup>1</sup> Including the shareholding from spouse and minor child

<sup>2</sup> Family relationship means relation from blood, wedding and registered by laws

# MANAGEMENT PROFILES

## Thai AirAsia Company Limited

As of December 31, 2018

### Mr. Tassapon Bijleveld

Executive Chairman

**The date of appointment**

May 14, 2018

### Mr. Santisuk Klongchaiya

Chief Executive Officer

**The date of appointment**

May 14, 2018

### Mr. Preechaya Rasametanin

Executive Vice President

**The date of appointment**

March 3, 2014

### M.L. Bovornovadep Devakula

Executive Vice President

**The date of appointment**

August 9, 2018

### Mr. Santhat Sanguandikul

Chief Financial Officer

**The date of appointment**

September 1, 2016

(Details as referred in Asia Aviation Plc.)

### Gp. Capt. Surapun Patoomwat

Head of Flight Operations

**The date of appointment**

March 3, 2014

**Age (years)** 59

**Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>**

0.0042

**Relationship with other Management<sup>2</sup>**

- None -

**Education:**

- Air Command and Staff College
- Safety Officer Course, RTAF
- Squadron Officer School, RTAF
- Royal Thai Air Force Academy

**5 years past and present work experience**

Period	Position	Company
2014 - present	Head of Flight Operations	Thai Airasia Co., Ltd.
2013 - present	Designated Check Pilot	Thai Airasia Co., Ltd.
2012 - present	Check Airman	Thai Airasia Co., Ltd.
2005 - present	Instructor	Thai Airasia Co., Ltd.
2013 - 2014	Deputy Director of Flight Operations	Thai Airasia Co., Ltd.

## Mr. Banyat Hansakul

Head of Engineering

### The date of appointment

March 3, 2014

**Age (years)** 51

### Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

0.0008

### Relationship with other Management<sup>2</sup>

- ไม่มี -

### Education

- Master of Business Administration, Kasetsart University International
- Bachelor of Engineering in Aeronautical Engineering, Royal Thai Air Force Academy

### 5 years past and present work experience

Period	Position	Company
2014 - present	Head of Engineering	Thai AirAsia Co., Ltd.
2004 - 2014	Quality Assurance Manager	Thai AirAsia Co., Ltd.

## Mrs. Thiladee Pantumchinda

Head of People Department

### The date of appointment

March 3, 2014

**Age (years)** 45

### Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

- None -

### Relationship with other Management<sup>2</sup>

- None -

### Education

- Master of Human Resources Management, Rutgers, The State University of New Jersey - New Brunswick, NJ
- B.A. Political Science, Major in International Relations, Chulalongkorn University

### 5 years past and present work experience

Period	Position	Company
2014 - present	Head of People Department	Thai AirAsia Co., Ltd.

## Miss Witchunee Kuntapeng

Head of Guest Service

### The date of appointment

October 2, 2014

**Age (years)** 50

### Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

0.0024

### Relationship with other Management<sup>2</sup>

- None -

### Education

- Bachelor degree of Arts in English, Faculty of Humanities, Ramkhamhaeng University
- Aviation Management for Executive Program

### 5 years past and present work experience

Period	Position	Company
2014 - present	Head of Guest Service	Thai AirAsia Co., Ltd.
2013 - 2014	Bangkok Station Manager	Thai AirAsia Co., Ltd.

## Mr. Pipat Khunprakan

Head of Innovation Commercial and  
Technology

### The date of appointment

October 2, 2014

**Age (years)** 42

### Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

- None -

### Relationship with other Management<sup>2</sup>

- None -

### Education

- Master degree of Telecommunication Science, Assumption University
- Bachelor degree of Computer Science, Assumption University

### 5 years past and present work experience

Period	Position	Company
2014 - present	Head of Innovation Commercial and Technology	Thai AirAsia Co., Ltd.
2007- 2014	Innovation Commercial and Technology Manager	Thai AirAsia Co., Ltd.

## Mr. Thatri Kwansang

Head of Safety

### The date of appointment

November 9, 2016

**Age (years)** 51

### Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

0.0022

### Relationship with other Management<sup>2</sup>

- None -

### Education

- Master of Science in Aviation Safety, Central Missouri State University, USA
- Bachelor of Science in Electrical Engineering, Royal Thai Airforce Academy

### 5 years past and present work experience

Period	Position	Company
2016 - present	Head of Safety	Thai AirAsia Co., Ltd.
2006 - 2016	Instructor Pilot and Safety Manager	Thai AirAsia Co., Ltd.

## Mr. Chaiwut Atthawethworawuth

Head of Government Relations

### The date of appointment

Mar 15, 2018

**Age (years)** 45

### Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

0.0003

### Relationship with other Management<sup>2</sup>

- None -

### Education

- M.Sc. Electronics System & Engineering Management from University of Paderborn, Germany and Bolton Institute of Higher Education, England, scholarship funded by the German Federal Ministry of Education and Research
- B.Eng. with Honors in Electrical Engineering from King Mongkut's Institute of Technology North Bangkok

### 5 years past and present work experience

Period	Position	Company
2018 - present	Head of Government Relations	Thai AirAsia Co., Ltd.
2017 - 2018	Director	Greater Consultant Co., Ltd.
2011 - 2016	Government Affairs Manager	SCG - Dow group of companies

## Miss Nattinee Tawanchulee

Head of Commercial

### The date of appointment

July 1, 2018

**Age (years)** 44

### Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

- None -

### Relationship with other Management<sup>2</sup>

- None -

### Education

- Master of Business Administration (MBA in General Management) University of Exeter (School of Business & Economics), Exeter, United Kingdom
- Bachelor of Business Administration (BBA in Marketing) Assumption University (ABAC)

### 5 years past and present work experience

Period	Position	Company
2018 - present	Head of Commercial	Thai AirAsia Co., Ltd.
2011 - 2018	Marketing Manager	Thai AirAsia Co., Ltd.

## Miss On-Anong Methapitakul

Head of Inflight Services

### The date of appointment

August 9, 2018

**Age (years)** 45

### Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

0.0016

### Relationship with other Management<sup>2</sup>

- None -

### Education

- Master of International Management, Thunderbird, The American Graduate School of International Management, Glendale AZ, USA
- Bachelor of Business Administration, Major in Finance & Banking, Assumption University, Bangkok, Thailand

### 5 years past and present work experience

Period	Position	Company
2018 - present	Head of Inflight Services	Thai AirAsia Co., Ltd.
2009 - 2018	Inflight Services Manager	Thai AirAsia Co., Ltd.

## Miss Topaz Subunruk

Head of Sustainability and Communications

### The date of appointment

August 9, 2018

**Age (years)** 36

### Number of Shares and Percentage of Asia Aviation Plc. (%)<sup>1</sup>

- None -

### Relationship with other Management<sup>2</sup>

- None -

### Education

- MA Marketing Communications and Adversiting, Bournemouth University
- BA Journalism and Mass Communications, Thammasat University

### 5 years past and present work experience

Period	Position	Company
2018 - present	Head of Sustainability and Communications	Thai AirAsia Co., Ltd.
2009 - 2018	Corporate Communications Manager	Thai AirAsia Co., Ltd.



# Mr. Chatupong Hongwiset

Head of Ramp and Ground Service  
Equipment

**The date of appointment**

November 9, 2018

**Age (years)** 41

**Number of Shares and Percentage of  
Asia Aviation Plc. (%)<sup>1</sup>**

- None -

**Relationship with other Management<sup>2</sup>**

- None -

**Education**

- Diploma, Aircraft Maintenance Engineer License, Civil Aviation Training Center

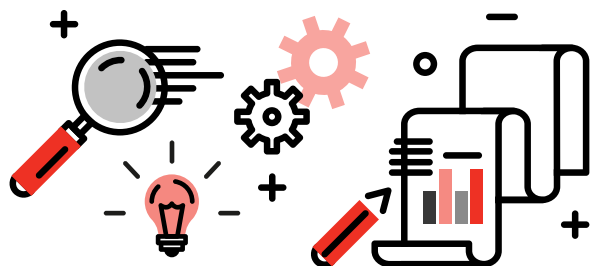
**5 years past and present work experience**

Period	Position	Company
Nov 2018 - present	Head of Ramp and Ground Service Equipment	Thai AirAsia Co., Ltd.
May - Nov 2018	Ramp and Ground Service Equipment Manager	Thai AirAsia Co., Ltd.
2014 - May 2018	Maintenance Manager	Thai AirAsia Co., Ltd.
2013 - 2014	Assistance Maintenance Manager	Thai AirAsia Co., Ltd.

<sup>1</sup> Including the shareholding from spouse and minor child

<sup>2</sup> Family relationship means relation from blood, wedding and registered by laws

# CORPORATE GOVERNANCE



## CORPORATE GOVERNANCE

Asia Aviation has complied and continue followed 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 of Asia Aviation 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 policy covers the rights of Shareholders; equitable treatment of Shareholders; role of stakeholders; information disclosure and transparency; and responsibilities of the Board of Directors.

In 2018, the Board of Directors has applied key principles and best practices according to the corporate good governance for listed companies in 2017 (CG Code) and every Director has acknowledged them and understood their benefits. The Directors have realised their role as organisation leaders and assigned each department to implement the CG Code principles in each department to create more sustainable value to the organisation. The Company discloses the information in accordance with the practices under the Corporate Governance policy in each as follows:

## SECTION 1 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 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 bylaws, 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 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](http://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.
- 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 timeframe. Minutes of the Meeting will also be posted on Asia Aviation's website to allow interested Shareholders and stakeholders to access the information.
- 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 making relevant and significant information available 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 careful in the trading of Asia Aviation's stocks within one month before the financial statements

## SECTION 2 EQUITABLE TREATMENT OF SHAREHOLDERS

Asia Aviation applies the principle of equal treatment to all Shareholders, be they 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 item shall not be impose 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.

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

The Board of Directors of Asia Aviation has set up a policy to prevent conflicts of interest on the basis that any decision-making on business transactions shall be made only for the best interest of Asia Aviation 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 Asia Aviation 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 shall comply with the requirements prescribed by the Capital Market Advisory Board, the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

## SECTION 3 ROLE OF STAKEHOLDERS

Asia Aviation and its subsidiary have placed importance on all of its stakeholders and established a policy 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.
- 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.

Details of the policy regarding responsibilities toward customers in 2018 are listed in the "Sustainability Report".

### Business Partners

Asia Aviation and its subsidiary treat its trading partners as a key factor in creating value for customers. So, business run with any partners must not bring discredit to the reputation of the Company and its subsidiary, or contrary to any palpable laws, no demand or accept any properties or benefits dishonestly in business with trade partners, regard to equality in business and mutual benefits with partners, as well as a compliance with contract or agreed terms and conditions strictly. In addition, the selection of partners shall be treated on fair, transparent and verifiable basis; abide by the rules and regulations on procurement that defines procedures and practices explicitly, and get approval from the procurement committees.

### Creditors

Asia Aviation and its subsidiary comply strictly with creditors under the conditions and term of agreements. Loan administration must be subjected to the objectives of money use; 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

Asia Aviation and its subsidiary, as a Thai corporation, are well aware and grateful for the country. As part of the community, the Company has a social obligation to support the society and community in which Asia Aviation and its subsidiary are operating.

Asia Aviation and its subsidiary have a policy to provide environmentally friendly products and services and to follow environmental-related laws.

Asia Aviation and its subsidiary promote activities that help preserve the nature and conserve energy. It has a policy to select and promote the use of environmentally friendly products.

Details of the policy regarding responsibilities toward the society in 2018 are listed in the "Sustainability Report".

### Employees

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 compensations 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 continues to recruit more employees to support the growth and the expansion of the fleets to serve passengers and for the opening of new routes and the increase in frequencies of existing routes.
- The recruiting process is based on the equal opportunity and fair system of written examination and interviews by a panel of committees with experiences, knowledge, and skills in a transparent manner.
- 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 ticket for employees' weddings
- Free air tickets (16 points per year)
- 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 to family in case of death of employee.
- 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.
- Employee lunch welfare

### Remuneration and Salary 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 exposes its employees to comment on the activities and engage in creating various in-house activities of employees to promote good interpersonal relationships between employee and employee, employee and organisation, as well as employees and community, bringing forth the unity of the group and leading to happiness at work in the organisation as follows:

- **Social activities** - Employees are volunteers in various activities, such as “Allstars Do Good activity” 1) to enhance wildlife welfare and development by using an equipment from the expired fire hose at Wildlife Friends Foundation Thailand (WFFT), Petchaburi Province, 2) to teach waste sorting at Wat Chang School, Pathum Thani Province and 3) to be blood donation volunteer with the Thai Red Cross Society.
- **Corporate anniversary** - the Management and staffs make merits on the anniversary by individual religious ritual, and having a luncheon for employees across the country.
- **Activities to promote employee health** - employees are grouped in the favor of their interest in physical exercise, sponsored by Thai AirAsia for various activities, including running for health, yoga practice, badminton, football group, basketball group, biking group and golf group etc.
- **Internal sport game**, The Company provides opportunities for employees all departments both in the country and abroad have the opportunity to meet to enrich unity among groups as well as the unity of AirAsia, such as the Allstars Thailand Football League 2018 at the Future Arena and the staff’s golf tournament.

### 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.

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

### Trainings for Engineers

- Maintenance Familiarization
- AMOS Training
- Basic Digital Avionics
- Basic Gas Turbine
- Basic Airframe
- Basic Electronic

### Training for Flight Attendance

- Duty Free / Handheld Device
- Thai Announcement
- Airline Business
- Civil Aviation Regulations
- Flight Attendant Procedure

### Training for Ground Staff

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

### Training for Pilots

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

### Training for Ramp

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

### Leadership skills training

- Self-Mastery for Ramp Agent
- Self-Mastery for Student Pilot
- Leading in you Program for Senior cabin crew
- 7 Service wonders for Guest services
- Celebrating diversity
- Paradigm shift

## Occupational Safety, health and environment in the workplace

In 2018, Thai AirAsia has pursued on safety initiatives under the Safety Management System with the cooperative coordination with the Safety Department, Subcommittees on Pilots Safety, Subcommittees on Crews Safety, and Occupational Safety, Health and Environment in Workplace Committee for projects, and reported directly to the CEO, to focus the management for sustainable safety of the organisation.

In the past year, Thai AirAsia has supported and promoted safety in many activities, for example:

- Safety promotion which aims at creating the safety culture of the organisation (AirAsia Safety Culture) by define the safety issue in Allstars values that we call “SAFETY ALWAYS” Safety is everyone responsibility.
- Behavior based safety (BBS) activity that creates positive approach by ground safety officer together with heads of units to observe employees’ behavior, with praise for safety behavior and caution for risky behavior, and constant follow-up on risky behavior to achieve the sustainable “safety culture”. Our target is the percentage of safety behavior above 95.00, and at the end of the program (December 2018), the percentage of safety behavior was 98.62
- OneAirAsia Safety Day is the safety promotion activity related safety health and environment issue. All staff from all department can join this activity for example safety games, safety quiz, safety competition (safety VDO clip competition and safety hero etc.)
- Safety Icon activity which is the selection of employees with outstanding performance in terms of safety as an example for other employees.
- Hazard reporter activity that focuses on the participation of employees in reporting hazard or unsafe work environment, and improvement on the safety issues reported by employees. Our staff can submit the hazard report via CORUSON system.
- Kiken Yoshi Training (KYT) to train each employee to analyse or predict hidden hazard in operation and to prevent the hazard correctly and appropriately
- Prepare and review the manual to deal with emergency in order to handle the Company’s emergency accurately, timely, appropriately, contemporarily and in compliance with the latest ICAO requirements.

- Prepare and review safety management manual in order to precede and manage the Company’s safety accurately, appropriately, contemporarily and in compliance with the latest ICAO requirements.
- Preparing and revising emergency plan for each stations in the country and abroad to use as a guideline in handling the emergency appropriately at each station.
- Training for the Special Assistance Team as a preparation in handling the emergency for passengers and their relatives including physical and mental assistance.
- Regular training for safety officer at the Management, Operation, Supervisory level and Occupational Safety, Health and Environment in Workplace Committee.
- Crew Resource Management training for pilots and cabin crew annually.
- Safety Emergency Procedure training for pilots and cabin crew annually.
- Emergency Response Plan for all employees.
- Safety Management System for all employees.
- Occupational Health and Safety for all employees.
- Human Factors for all employees.
- First aid training and medical evacuation training to reduce risk in incorrect medical evacuation.
- Firefighting training for all employees.
- Service of Disabled & Passengers with Reduced Mobility (PRM) training for handling the passengers during embarking/ disembarking safely.
- Inspection of working environment, for example, noise inspection and light inspection to take pre-caution in working environment that may be health hazard for employees.

However, the aforesaid activities on occupational safety, health and environment in workplace proactively to prevent accidents and incidents resulted in the reduced ground accidents and incidences in 2018 to 0.49 per 1,000 departure flights.

## 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 subsidiary 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 2018 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

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](mailto:taa_auditcommittee@airasia.com) and [thaiwhistleblower@airasia.com](mailto:thaiwhistleblower@airasia.com).

Nonetheless, the Company has disclosed Whistleblowing Policy on its website at [www.aavplc.com](http://www.aavplc.com) under "Sustainability", "Corporate Governance" and "Whistle Blowing". 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.

## SECTION 4 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 to the Stock Exchange of Thailand and the Securities and Exchange Commission. This 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](http://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 annual reports, 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 looks into 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 the Annual Report
4. Information on each Director, subcommittee member and Management and his/her roles and responsibilities and remuneration
5. Information on the attendance of Directors and subcommittee 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 and disclose summary of shareholding reports at the Board of Director Meeting in quarterly.

For investor relations, Asia Aviation has set up the Investor Relations Unit to handle the content of the information of Asia Aviation for those who are interested, for example, Shareholders, analysts, and investors. The channel of communication is as follows:

**Telephone:** 02 562 5700

**Fax:** 02 562 5705

**Email:** [taa\\_investorrelations@airasia.com](mailto:taa_investorrelations@airasia.com)

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

Asia Aviation regularly presents information to analysts, investors, and employees at Analysts' Meetings, Roadshows, Conference calls, and Conferences organised by various entities. The Company also holds joint activities with SET to meet retail investors and has Press Conference and Press Release to publicise the performance of the Company and its subsidiary. In addition Analysts, investors, and interested parties can also join company visits to meet our Management and inquire about our updates.

In 2017 - 2018, investors relations activities are summarised as follows:

Activities	2017 (times)	2018 (times)
International Roadshows	4	4
Domestic Roadshow	5	9
Results Briefing / Annual General Meeting of Shareholders	5	5
Company Visit / Conference call	19	15
E-mail / Phone calls	4-5 times daily	4-5 times daily
Company visited, Joint activities with SET and other agencies	3	2

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 annual reports. 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.

## SECTION 5 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

### Leadership and Vision

Asia Aviation and Thai AirAsia's Board of Directors consists of Directors with leadership skill and vision to drive to become the leading sustainable travel technology company in Asia providing more than just affordable flights.

The Company's Board of Directors revises and specifies vision and mission for the Company every five years to keep them relevant and appropriate for the changing business environment in the future.

### Board of Directors' Structure

Asia Aviation Board of Directors consists of nine Directors with three being the Independent Directors who are fully qualified under the relevant regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Each Director has knowledge, competence, experience and expertise in various professions. The number of Directors shall be sufficient to oversee the business of the Company, with at least one Director with direct experiences in aviation business and another one Director with experiences in accounting and finance.

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.

### Qualifications of Directors

1. Directors shall be the persons with knowledge and competency, honesty and integrity in business operation, and sufficient time to dedicate their knowledge and competency for their performance in the Company.
2. 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 according to the Notifications of the Securities and Exchange Commission (SEC).

3. The Directors shall not enter into a partnership or be a shareholder 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 determine the effectiveness of his/her performance. In the case of the Chief Executive Officer taking the position of Director in other company, the matter needs to pass the approval from the Company's Board of Directors.

### Qualifications of Independent Directors

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:

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, Major 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 Major 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 the 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; and

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.

### **Appointment and Term of Positions for Directors**

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. The consideration shall include sufficient detailed information and profile of the person for the Board of Directors and Shareholders to make decision. Details of the policy on appointment and nomination of Directors can be found under "Nomination and Remuneration Committee".

The Directors'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.

### **Duties and Responsibilities of the Directors**

Asia Aviation's Board of Directors 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 judgement and vigilance in making business decision and perform their duties with caution, accountability, and honesty for the best interest of Asia Aviation.

### **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 administer 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 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 the Chief Executive Officer (CEO) 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 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 subcommittees and encourages all Directors to achieve the objectives as planned.
  - 2) To provide leadership and direction to the Board of Directors' Meeting and ensure that the Meetings are conducted effectively and efficiently complying to the laws, regulations and Article of Association of the Company. In addition, the Chairman encourages all the 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 the actions to take clearly.
  - 3) To provide leadership and direction to the Shareholders' Meeting and ensure that the Meetings are conducted effectively and efficiently complying to the laws, regulations and Article of Association of the Company. In addition, the Chairman allocates sufficient time along with providing opportunities for Shareholders to express their opinions equally and ensuring that Shareholders' inquiries are responded to appropriately and transparently.
  - 4) To support and be a good role model in compliance with corporate governance and business ethics.
1. To provide advice to the Board of Directors regarding legal framework and regulations of Asia Aviation that the Board of Directors shall be aware of, to ensure compliance to the rules and regulations, and to report any significant changes in the legal matters to the Board of Directors.
  2. To organise the Shareholders' Meeting and Board of Directors' Meeting in accordance to laws and regulations of Asia Aviation.
  3. To record the Minute of the Shareholders' Meeting and Board of Directors' Meeting and to make sure the resolutions of the Meetings are followed.
  4. To prepare and keep record of a register of Directors, the Company's annual report, Notice of the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting, Notice of the Shareholders' Meeting and Minutes of the Shareholders' Meeting of Asia Aviation.
  5. To keep the reports of interest filed by the Directors or Management, with the copies submitted to the Chairman of Board of Directors and the Chairman of Audit Committee within seven business days after the report is received.
  6. To ensure the information disclosure and report the responsible information to the related agencies as prescribed by the government's rules and regulations.
  7. To facilitate activities of Asia Aviation's Board of Directors and manage other related matters in accordance to the legal framework, or as assigned by Asia Aviation's Board of Directors, or as prescribed by the Notification of the Capital Market Supervisory Board.

**Subcommittees**

In addition to the Board of Directors, Asia Aviation has set up a subcommittee to assist in administering the business, that is the Audit Committee. The three members, who are responsible for auditing and internal control for Asia Aviation, are of the qualifications as required by the Stock Exchange of Thailand and the Securities and Exchange Commission. Their duties and responsibilities are as assigned by the Board of Directors of Asia Aviation, as specified in the Audit Committee Charter.

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

Nevertheless, at the Asia Aviation's Board of Directors' Meeting No. 2/2014, held on February 26, 2014, the resolution was to approve the appointment of the Nomination and Remuneration Committee. The three Independent Directors set appropriate nomination and remuneration for Directors, with the details shown under "Nomination and Remuneration Committee".

Asia Aviation has appointed the Company Secretary with the duties and responsibilities as follows:

## Report of the Board of Directors

The Audit Committee has the duty to review the Company's financial reporting and proposes the reports to the Board of Directors of Asia Aviation on a quarterly basis. The Board of Directors of Asia Aviation shall be responsible for the accuracy Asia Aviation's financial statements and financial information as described in the Annual Report. The financial statements shall be prepared in accordance with the accounting principles which are generally accepted in Thailand and audited by a certified public accountant. An appropriate accounting policy shall be applied and always be complied with. In addition, information shall be adequately disclosed in the notes to the financial statements.

At the Asia Aviation's Audit Committees' Meeting No. 1/2019, held on February 27, 2019, without the attendance of any Executive Directors or Management, the Audit Committee, consisting of three Independent Directors, evaluated the internal control system by interviewing the Head of Internal Audit and concluded that the internal control for Asia Aviation and its subsidiary was sufficiently effective in alleviating business risks. The operation of the internal audit in 2018 in inspecting other departments within Asia Aviation and its subsidiary did not result in any significant weakness in internal control system that can affect the operation of Asia Aviation and its subsidiary. Auditor did not report any significant weakness.

## Board of Directors' Meeting

According to the Articles of Association of Asia Aviation, the Board of Directors shall hold a Board of Directors' Meeting at least once every three months by setting dates for the whole year and additional special meetings may be held as necessary. A meeting notice shall be delivered to Directors for consideration at least five business days prior to the date of the Meeting, unless it is necessary or urgent to preserve the rights or benefits of Asia Aviation. At each meeting, the agenda of the Meeting will be clearly specified and supported by the completed and sufficient documents, and are delivered to the Directors in advance so that the Directors will have enough time to study such information prior to the Meeting. At the Board of Directors' Meeting, each Director shall be able to openly discuss and express his or her opinion. In addition, the Senior Management will be invited to attend the Board of Directors' Meeting in order to give additional information as they are directly involved in such matters.

Asia Aviation is committed to providing the Board of Directors with adequate, complete continuous and timely information prior to 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 Director 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.

## Remuneration

At the Asia Aviation's Board of Directors' Meeting No. 2/2014, held on February 26, 2014, and the Thai Air Asia's Board of Directors' Meeting No. 1/2014, held on March 3, 2014, the resolution was to approve the appointment of the Nomination and Remuneration Committee to determine and propose remuneration for Directors annually for the Board of Directors' and/or Shareholders' approval.

The Committee has a policy on setting appropriate remuneration for Directors by consideration and comparison with remuneration for Directors in other leading companies in the Stock Exchange and companies in the same or similar industry, along with their responsibilities and their performance in relation with the business operation, and other relevant factors. The remunerations shall be in the level that can motivate and retain the Company's qualified Directors.

The Company has disclosed the aforementioned information and the remuneration for each Director in the Annual Report and Form 56-1 of the Company, which can be found under "Structure of Directors' Remuneration".

## Development on Directors and Management

The Board of Directors of Asia Aviation has 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 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.

### The Performance Assessment of the Board of Directors

Asia Aviation and its subsidiary have the Performance Assessment of the Board of Directors and subcommittee 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 subcommittee. 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 subcommittee 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 Executive development

In 2018, the Performance Assessment of the Board of Directors and Sub-Committee of Asia Aviation detail as follows:

the Board of Directors / Subcommittee	Self-Assessment as a whole (%)	Self-Assessment on an individual basis (%)
Board of Directors	85	90
Audit Committee	92	93
Nomination and Remuneration Committee	84	93

The Performance Assessment of the Board of Directors and Sub-Committee of Thai AirAsia detail as follows:

the Board of Directors / Subcommittee	Self-Assessment as a whole (%)	Self-Assessment on an individual basis (%)
Board of Directors	87	88
Audit Committee	100	93
Nomination and Remuneration Committee	91	93
Corporate Governance and Sustainability Committee	88	93

The Nomination and Remuneration Committee is responsible for reviewing the accuracy and the completeness of performance assessment according to good corporate governance. The Committee then analyses the results of the assessment to consider rationale for Directors' remuneration. The Company Secretary summarises the results of the assessment and reports to the Nomination and Remuneration Committee for proposing to the Board of Directors so that the Board can improve their performance more efficient.

### 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 in consultation with 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

- Leadership
- Strategic setting
- Strategic practice
- Financial planning and results
- Relationship with the Board of Directors

- External relationship
- Management and relationship with human resources
- Position succession
- Knowledge of products and services
- Personal characteristics

### Section 3: Self-improvement

## 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 Management is vacant. Revision of the succession plan shall be carried out annually and Chief Executive Officer is to report to the Board of Directors regularly on the succession plan.

## Corporate Governance Policy

Asia Aviation has set up a written policy on corporate governance and the Board of Directors is to review this policy and the compliance therewith on an annual basis. After the Company's ordinary shares have been listed on the Stock Exchange of Thailand, Asia Aviation shall comply with the relevant rules and regulations as prescribed by the Securities and Exchange Commission, the Stock Exchange of Thailand and the Capital Market Supervisory Board. The details of the report on corporate governance will be included in the Company's annual report and the annual registration statement (Form 56-1).

## Corporate Governance Code for listed companies 2017 (CG Code)

In 2018, the Board of Directors has applied key principles and best practices according to the corporate good governance for listed companies in 2017 (CG Code), issued by the Securities and Exchange Commission. Every Director has acknowledged them and understood their benefits. Directors have realised their role as

organisation leaders and assigned each department to implement the CG Code principles in each department to create more sustainable value to the organisation. The Board of Directors has reviewed those CG Code principles on an annual basis to make sure that every department has followed those CG Code principles appropriate to the Company's business. This point has been noted as a resolution in the Meeting of the Board of Directors.

## Code of Conduct

Asia Aviation has operated its business in adherent to strict business ethics, including safeguarding Asia Aviation's and its subsidiary's 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, Executives 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, under "Sustainability", "under "Corporate Governance" and under "Code of Conduct".

## Compliance to Rules and Regulations and Business Ethics

Thai AirAsia determines to promote understanding among the employees in regard of principles and policies related to business ethics 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 provided related training, for example, training on Code of Conduct, training on prevention of corruption, and anti-corruption and anti-bribery training, which are compulsory for all employees at all levels. All new recruits shall participate in the following trainings and take required examination during their probation periods otherwise they will not pass the probation:

- Code of Conduct Training for all employees to understand the principle and standard that all employees shall adhere in order to eliminate doubt in integrity of the employees and Thai AirAsia.
- Fraud Awareness Training for employees to learn to prevent and report any suspicious act of corruption for Thai AirAsia.
- Anti-Corruption and Anti-Bribery Training for employees to understand problems and effects of corruption and bribery, and to learn to prevent and report any suspicious act of corruption or bribery through the Company's channels.

The Company monitor and evaluate the compliance of rules and regulations and business ethics of employees, Management and the Board of Directors. The internal audit department is responsibility and report the evaluation results to the Audit Committee annually.

### 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 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 counterparts, 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 counterparts of Asia Aviation and Thai AirAsia except loans from banks or financial institutions as customers of said banks or financial institutions.

#### Gift and Hospitality

- Directors, Management, and employees shall avoid accepting gift, in cash or in kind, from customers or business counterparts of Asia Aviation and Thai AirAsia except in the customary traditions and the value does not exceed THB 5,000. If the value of the gift exceeds THB 5,000, the employee shall declare the gift to his/her supervisor for further appropriate action.
- Directors, Management, and employees may accept business hospitality if it is beneficial for Asia Aviation and Thai AirAsia. However, hospitality shall be avoided if it is in the manner not appropriate for business relationship from persons relevant to Asia Aviation and Thai AirAsia or future business counterparts.

#### 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 counterparts, 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

The Company has set up a team consisting of Internal Audit Manager, Compliance and Accounting Manager to assess its exposure to fraud and corruption. Their responsibilities are to determine the procedures for risk management on fraud and corruption by jointly assess, analyse, monitor, control and update risk status on the overall fraud and corruption to remain at the acceptable level. The team will investigate the suspected cases that are vulnerable to fraud and prepare the annual report for presentation to the Audit Committee.

Risk assessment tools are used to assess exposures to fraud and corruption by adjusting The Association of Certified Fraud Examiners' guidelines in evaluating the internal control environment and various kinds of frauds that may incur in the Company. In 2018, the team analysed and assessed business risks of various departments so as to identify their exposures to fraud and corruption e.g. manipulation; forge; change of record or document or financial report; misuse of business assets; misappropriation; conflict of interest; abuse of internal information; corruption in various forms; etc. Last year, exposures to fraud and corruption remain in the acceptable level. Information from the assessment will be used as guidelines to increase the Company's internal audit efficiency and effectiveness and to find preventive measures on fraud operations by setting the 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 cooperate communication channel, namely the Company's website, Annual Registration Statement (56-1), and Annual Report (56-2).
2. Provide training on Anti-Corruption policy for new recruits.
3. Review Anti-Corruption policy annually.

## Report of Interest

The Company has required that Directors, Executive Directors, and Management, under the definition by the Securities and Exchange Commission of Thailand, provide report of interest for themselves and their related persons when they are appointed. Changes shall be revised and reported annually.

## Internal Control and Internal Audit

The Board of Directors of Asia Aviation has put the internal control system in place 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 has stipulated levels of authority and responsibilities of the Management and employees and operating regulations in writing. The Internal Control Department has its duty to audit that the performance of all departments in the Company is accurate and line with the regulations. The Audit Committee shall monitor the administration and operation of Asia Aviation in order for Asia Aviation to achieve an effective internal control and reliable financial reporting system. The Internal Control 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. Ms. Duangporn Tantiwivat acts as the Head of Internal Control. The details on internal control and internal audit can be found under "Internal Control and Internal Audit".

## Risk Management

Asia Aviation is aware and realises the importance of risk management in order to achieve effectiveness and efficiency in the Management of the Company and its subsidiary and to promote confidence among stakeholders. However, as Asia Aviation operates its business by holding shares in Thai AirAsia, therefore, risk management system has been established for Thai AirAsia, which is its subsidiary and operates core business.

Risk Management Committee consists of Executive Chairman, Chief Executive Officer and the Management from all departments to manage internal and external risks that may affect operation to an acceptable and appropriate level by evaluating and examining evaluation result from all departments and revising policy regarding risk management at semi annually. The details on risk management can be found under "Risk Management".

## AUDIT FEES

Asia Aviation and its subsidiary paid the audit fee to EY Office Limited, as external auditors for 2018. Nevertheless, EY Office Limited, does 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 2018 are as follow;

### Audit Fee

In 2018, Asia Aviation and its subsidiary paid the audit fee of Baht 5.40 million to the office of the Auditors, comprising Asia Aviation and subsidiary's audit fees of Baht 1.00 million and Baht 4.40 million, respectively. No other audit fee had been paid to the auditors or related parties to the auditors and the Auditors' office.

### Non-Audit Fee

Its subsidiary paid total non-audit fee for the special purpose review and advisory service was 0.80 million baht. No the expense of undelivered work for the year 2018.

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 independent judgment of the Auditors.



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# Thai AirAsia Sustainability Report 2018



## THAI AIRASIA SUSTAINABILITY TAKES OFF

Welcome aboard Thai AirAsia's "Flight of Sustainability", one that is taking place amidst high competition within the aviation industry and rapid social, economic and environmental changes.

The only way to "Fly Sustainably" is to stay alert and to manage our risk factors properly while continuously looking for growth prospects and ways to transform challenges into opportunities. It is crucial that we have a strong management system and an efficient staff force with a clear understanding of how their work impacts the sustainability of the entire company.

Thai AirAsia wishes to go beyond providing quality service and safety to our guests and benefits to its stakeholders, but to play a role in social and environmental responsibility, to drive forth the concept of sustainability for the betterment of all communities and to make the world a better place where no one is left behind.



## Supervision of Sustainability by Thai AirAsia

Asia Aviation Public Company Limited's majority stake in Thai AirAsia Company Limited ("Thai AirAsia") has made the airline its main business and entrusted it to supervise on sustainability matters. Thai AirAsia has established a commission comprising members of its Board of Executives, including Mr. Vichate Tantiwanich, Board Chairman; Mr. Tassapon Bijleveld, Board Member/ Executive Chairman; Mr. Santisuk Klongchaiya, Board Member/Chief Executive Officer and Mr. Preechaya Rasametanin, Executive Vice President. Miss Topaz Subunruk, Head of Sustainability and Communications holds the role of Secretariat to the commission. A variety of working committees on sustainability matters were also established for the directors of each department and tasked with enacting sustainability policies in line with company's strategies and operations, setting targets and measuring outcomes.

Details of the Sustainability Supervision Commission's areas of authority are as follows:

- 1. Appraise and determine targets, guidelines and budgets** for sustainable development with consideration to stakeholders. This also involves considering activities related to sustainability for a proposal to the company's Board of Executives.
- 2. Determine issues of materiality to the company's business** in consideration to both stakeholders' interests and sustainable development.
- 3. Monitor and assess efforts under sustainable development policies and strategies. Advise and support sustainability efforts** towards fruition of the designated plans.

**4. Report progress in sustainable development efforts to the Board of Executives. Assess and approve reports on sustainable development** for the Board of Executives' reference and scrutiny.

The Sustainability Supervision Commission meets once a quarter to report progress

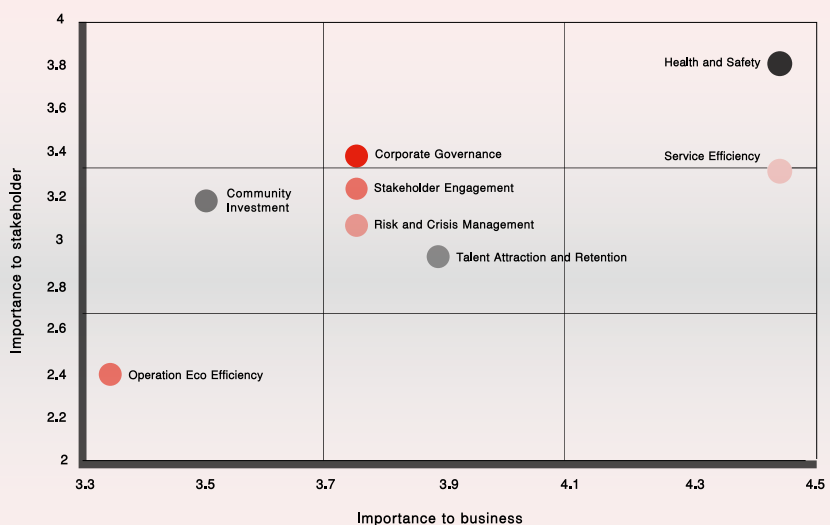
to one another before compiling central reports for the Thai AirAsia's Board of Executives twice a year. The reports are to affirm that the commission's plans are proceeding as intended.

### IDENTIFICATION OF THAI AIRASIA SUSTAINABILITY MATERIALITY 2018

Thai AirAsia's approach to identifying the components of sustainability was to list factors important to its operations and to its key stakeholders and then compare those factors to global standards of sustainability along with issues integral to world class carriers, which are pertinent to its business in 2018 and to current and future appraisals of direct risks to the company.

The factors were identified and directed by the company's Board of Directors, Executives, as well as opinions from staff and all stakeholders to ensure the most appropriate targets and plans were drafted for sustainability. The appraisal was then reconducted to ensure accuracy and supporting capability in growing a sustainable business.

Evaluation of the factors resulted in this list of 8 key issues:





## SAFETY & HEALTH

“Safety” is of utmost importance in the aviation industry and is our top priority. In the aviation business, fallibility might lead to severe impact to lives and belongings of guests and staff, as well as to business reputation and reliability. Thai AirAsia monitors and controls the safety of our operations through a Safety Management System (SMS) designed specifically according to the airline’s requirements to ensure our guests have the utmost confidence in us. We are determined to develop, implement, maintain and adapt our strategies and processes in the interest of safety and in adherence to national and international standards, promising safety to our guests alongside low fares and comfort.

### Safety Management System: SMS

All of the airline’s safety procedures are in accordance with guidance provided by the Safety Management System (SMS), which accounts for the dangers and risks outlined by the International Civil Aviation Organization (ICAO) in March 2018. The SMS is further strengthened by Ideagen Coruson, a digital Safety and Quality Management System which captures all safety hazards and risks on one platform, enabling seamless integration with investigation and risk management processes.

### Parameters of the Safety Management System (SMS)

Comprising of four main pillars:



## Safety Policies and Objectives

- Operate under the highest safety standards at all times, complying with both local and international regulations and standards
- Create safe environments, workplaces and procedures
- Support and acquire resources necessary for safety management
- Constantly self-develop, acquiring necessary skills and disciplines
- Create an internal culture of safety beginning with personal behaviours and a safety-aware mindset

## Safety Risk Management

Two steps are observed to manage and handle safety risks:

- 1. Hazard Identification:** The seeking and identification of procedures, causes and elements that may lead to an accident, as well as the collection, analysis and systematic dissemination of such information.
- 2. Safety Risk Assessment and Mitigation** : The carrying out of Safety Risk Assessments with elements deemed beyond the acceptable risk to be analysed for protection and mitigation measures.

## Safety Assurance

A system was created to control risks and ensure continual prevention against new risks. The system consists of:

- 1. Safety monitoring and assessment:** Safety performance monitoring, measurement-monitoring and evaluation of safety measures through reports, inspections, analysis, surveys and etc.
- 2. Management of change:** Evaluation of risks emerging from change and setting measures to control such risks.
- 3. Continual improvement develop** the system to be up-to-date with current regulations and technological developments.

## Safety Promotion

Thai AirAsia understands that safety must be embedded into its organisational culture and is resolute in instilling safety practices across the whole workforce so that everyone remains vigilant. This is carried out through the following activities:

- 1. Training and Education:** In accordance with the law, all staff must have the knowledge and expertise necessary to fulfil the safety requirements of their duties.
- 2. Safety Communication:** Activities are organised to communicate and disseminate safety know-how and to build understanding and awareness.

## Safety-Advocacy Activities

In 2018, Thai AirAsia carried out and supported various safety-advocacy activities, including:

- **Staff Training:** Safety courses are part of staff's individual training needs and the training topics are such as Occupational Health and Safety (OHS), Safety Management System & Emergency Response Plan (SMS & ERP), Human Factors course for ramp and ground crew, and Basic Firefighting skills.
- **Safety Training for Pilots and Crew:** In accordance with regulations set by the Civil Aviation Authority of Thailand (CAAT), Thai AirAsia pilots and cabin crew underwent Safety Emergency Procedures (SEP) training, including Evacuation Drill, Door Drill, Water/Ditching Drill and Slide Drill.

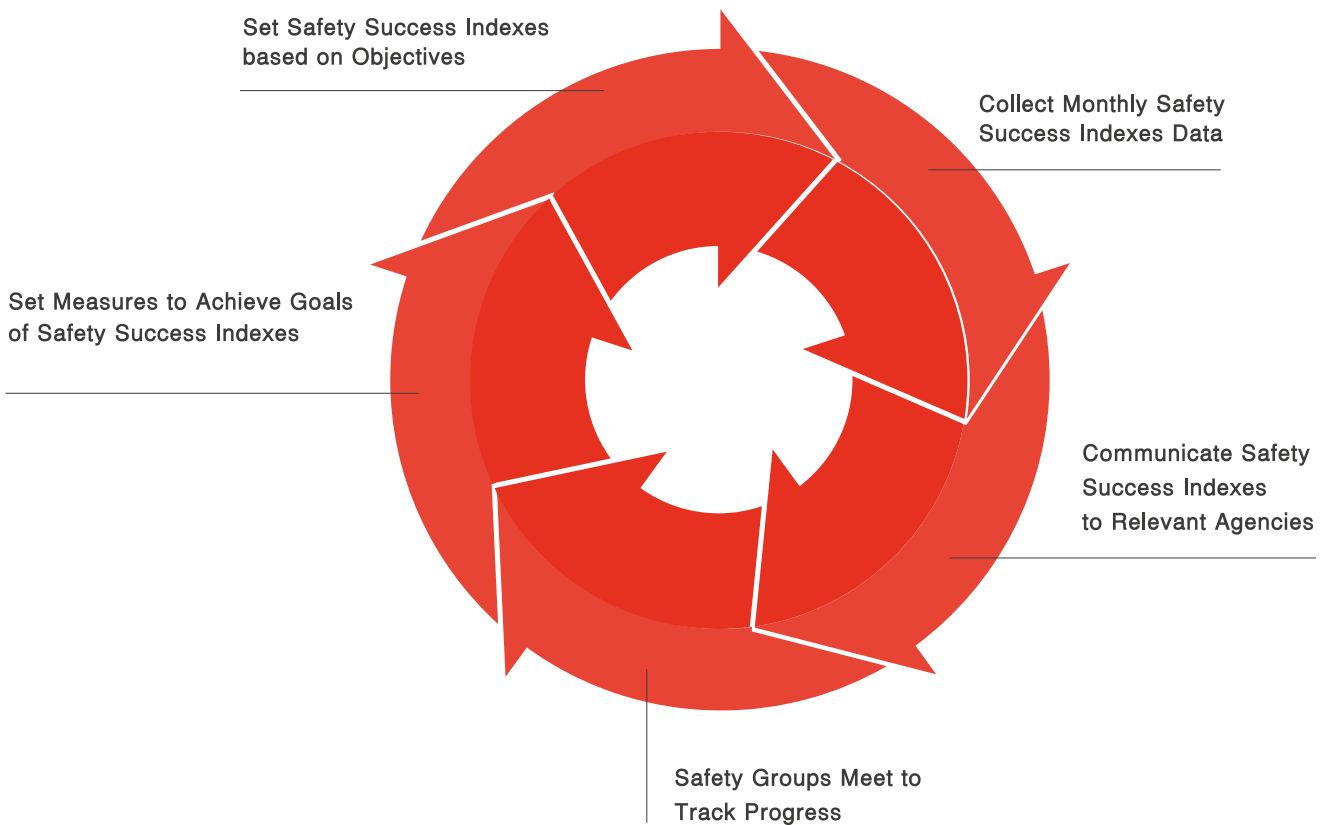
Moreover, training in accordance with regulations set by the International Civil Aviation Organization (ICAO) were also carried out, including:

- **Safety Always:** An activity for instilling a culture of safety throughout the organisation comprising daily observations, reports to relevant agencies and rewards for teams that scored 100% each quarter.



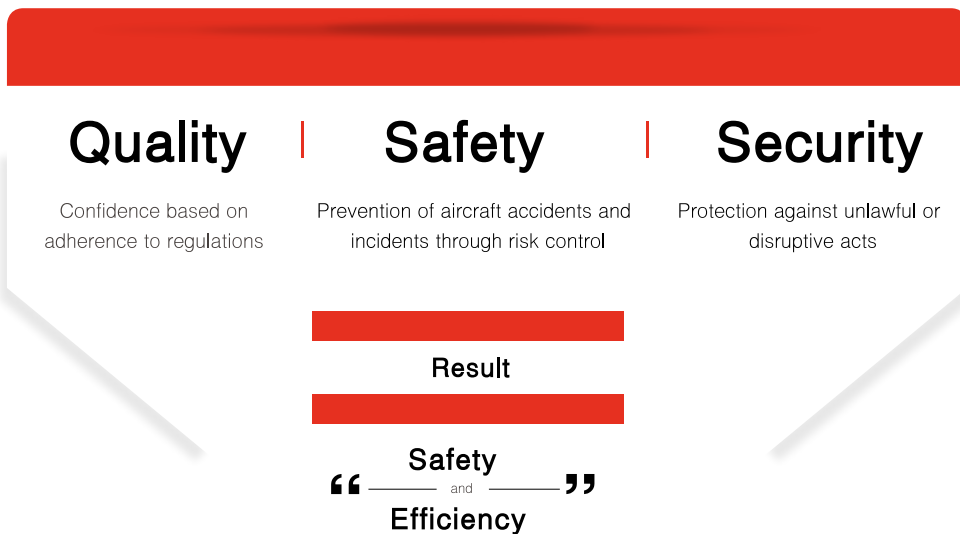
- **Hazard Reporter:** Focuses on having staff report dangers or unsafe environments and taking steps to remedy dangers in a proactive way.
- **Emergency Procedure Training:** Done in cooperation with domestic and international airports, this training prepares staff for handling emergency situations.
- **Special Assistance Team:** Preparation for staff to assist passengers and their next-of-kin in times of emergency.
- **Safety Statistics:** To decipher the success of safety measures, the airline mainly utilises the “AirAsia Safety Performance Monitoring Process” and its Safety Performance Indicators (SPI). An Occupational Health and Safety Committee (OHSC) tracks information and improvements to safety, answering to the Safety Review Board. Statistics on health and safety are submitted to relevant agencies and suggested actions are taken and reviewed by the committee once a month. If the SPI indicates a significant risk of danger, the OHSC will be convened for review immediately.

### Thai AirAsia Safety Performance Monitoring Process



## Airline Safety and Security Systems

Thai AirAsia utilises three efficiently coordinated safety and security systems together aimed at minimising injury and damage in the workplace and to bolster the confidence of airline staff and passengers.



**Quality Management** - Focuses on keeping practices in accordance with regulations and passenger expectations while also including operational demands and possible dangers. In the short term, Quality Management emphasises requirement compliance and control to fit needs.

**Quality Assurance** - Focuses on ensuring pre-service quality and involves the following:

1. Development
2. Resource inspection
3. Safety inspection with an emphasis on effective risk control
4. Personnel inspection (includes external vendors)
5. Regulation compliance inspection

**Safety Assurance** - Promotes quality through analysis, document control and inspection, looking to assure compliance with standards. While Safety Management focuses on safety efficiency, Safety

Assurance is about identifying threats to safety, assessing risks and carrying out controls to prevent accidents and incidents.

Safety Management encompasses safety assurance and quality assurance and has the following stipulations:

1. Regulation Compliance Control
2. Operations requirements identification, improvements to safety and areas of danger and management of changes that may affect operations

**Security** - In protecting civil aviation and against illegal interventions, we are constantly developing and addressing issues to maintain compliance with international conditions. We carry out regular safety and risk assessments and use the data to reaffirm our safety measures. We survey, inspect and thoroughly test our safety and flight operations systems, following quality control plans set out by Civil Aviation Authority of Thailand (CAAT) so that we can be confident that all issues are addressed promptly.

## Food Safety

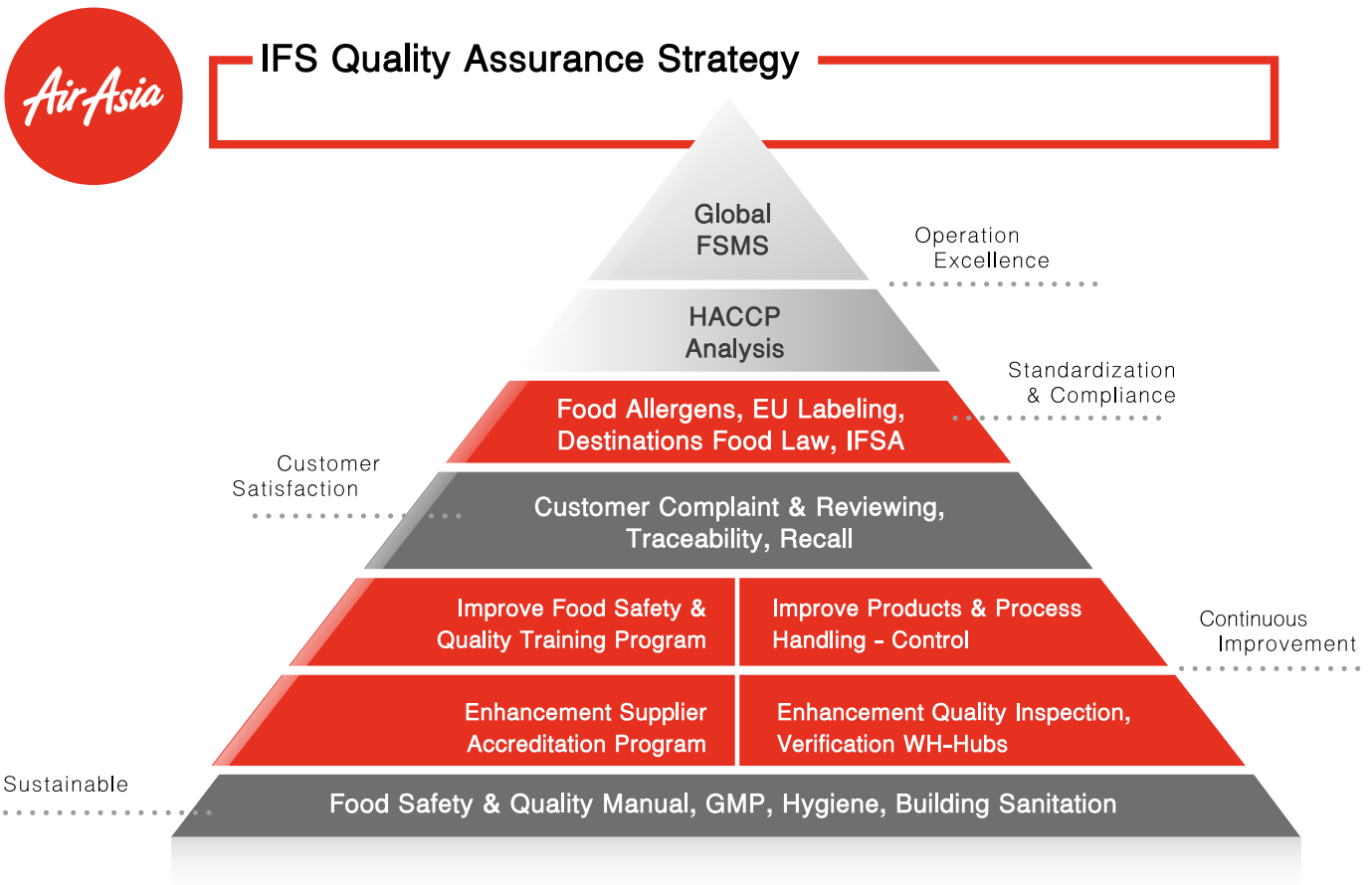
Food served on Thai AirAsia flights, apart from having a wide variety and being delectable, must also be safe, hygienic and comply with set standards and policies to do with allergens. With food directly affecting both our guests and staff, we pay close attention to all details pertaining to the meals we provide starting with the selection of food to be served. In the case where guests consume food with poor quality and experience allergy that may cause danger to life, the consequence may negatively reflect on the company's reputation. We thus adhere to the following requirements:



Thai AirAsia provided in-flight meal service and received positive feedback throughout 2018. Our creatively new menus and flavourful taste have built up strong satisfaction among the guests, keeping complaints at the designated, satisfactory level.

### Quality Assurance Strategy

The best strategy for ensuring food quality moving forward is “Always be Ready with the Best”. We start at production and food safety, with the hygiene of workers and the design of their facility; followed by incorporation of food production safety standards, making sure that such stringencies are regular and continual. This allows us to always improve our food production management and offer ever safer food to our guests, maintaining zero complaints and giving us food safety standards.





## SERVICE EFFICIENCY

An advantage to being a low-cost airline such as Thai AirAsia is that cost efficiency is part of our DNA. We are very adept at getting the most out of a limited budget. Our goal is making our product, that is a wide network of routes, on-time operations and ancillary services; responsive to the needs of our guests. To achieve this goal, we begin by establishing service efficiency to ensure that our guests become returning customers. We are also highly aware that the reverse is also true - that if we provide lackluster service, we will lose our customer-base and our good image. For these reasons, we prioritise the development of efficient services and strive towards making the best impression through the following strategies:

### Cabin Crew

Cabin Crew is an important position due to the customer-facing nature and has created a distinguished safety and service standards through undergoing Cabin Crew Safety Training and exercising the "Five Service Touch Points".

## "5 Service Touch Points"

### 5 Service Touch Points

#### Professional Servicing

Meals must be centred with utensils to the left and drinks to the top right. Menu name and symbols must be facing the passenger.

#### Personalised Service

Providing service from the heart.

#### Cabin Presence

Anticipating and attending to passenger needs, for example, turning on reading lights when cabin lights are dimmed.

#### Magic Word

Using only a courteous and polite language with passengers ie. "If I may", "Please allow me to", "Excuse me", "Thank you" amongst others.

#### Thank You Greeting

Wai (traditional Thai gesture of respect) guests before landing and Wai as they disembark.

## Cabin Crew Safety Training

Passenger safety is of utmost importance, which is why safety training for our cabin crew is rigorous. Training from theory to practice is conducted in accordance with Civil Aviation Authority of Thailand's regulations by experienced and appropriately-accredited Cabin Crew Instructors and Safety Examiners using only international standard equipment.

All cabin crew must score at least 90 out of 100 points in each course of their training so that we may assure our guests that they are in knowledgeable and capable hands and that they will receive the assistance they require if circumstances arise. Our cabin crew are prepared to perform Emergency Cabin Preparation, Unprepared Emergency Evacuation, Post Impact Duties and First Aid while awaiting medical response to increase chances of recovery, and etc.

Our training is technical and result-based. And the theory and practice tests are performed every 12 months to reaffirm existing skills and introduce new know-how. This is all to provide the utmost confidence in safety to our guests and our cabin crew themselves.

## Maintaining Service Quality

While our cabin crew are expected to always work from the heart, they also undergo Cross Surveillance Checks by our cabin crew executives to ensure they are adhering to Thai AirAsia's standards. The checks see external aviation authorities boarding flights as guests and observing our cabin crew in terms of their grooming, attitude, conduct and use of the 5 Service Touch Points. Results of the surveillance are reported back for evaluation.

## Guest Service

Our Guest Service staff are required to undergo the Service Excellence training which instills in each of them a positive attitude and thorough understanding of service excellence, from welcoming the guests to leaving beyond-expected impression to attract repeated guests. They are also trained to be flexible while maintaining all safety standards, upholding Thai AirAsia's reputation as well as complying with all regulations.

Our Customer Satisfaction Surveys must score at a minimum of 8.5 out of 10. In 2017, we scored 30 percent higher than the target.

## Improving Travel Convenience

Thai AirAsia was one of the earliest low-fare airlines to apply technology to streamline operations and to create greater guest convenience, especially in reducing wait time in light of the high volume of people that we carry. To address these issues, we created and incorporated technologies such as:



### KIOSK

Guests can check-in on their own, reducing queuing time at the check-in counter.

### Self Bag Drop

Guests only need a printout of their own baggage tag and deliver their bags to the baggage loading counter, reducing queue times at the check-in counter.

### Web Check in

Guests can check-in via our website through their mobile phones or at home, reducing the time they need to spend at the airport.

### Mobile Application

Our mobile application allows for convenient booking and check-in.



The AVA, AirAsia Virtual Allstar

She still learning, so keep your question short and sweet! Try me by asking what questions or select a topic below.

### AVA | AirAsia Virtual Allstar

AVA is an AI (artificial intelligence) smart assistant and is able to engage in conversations via text. AVA answers guests' queries 24 hours a day and continues to improve with every question that is entered into the program.

The added convenience of the check-in kiosk can be seen in the increased frequency of its use between the year 2018 and 2017.

Thai AirAsia Passengers	2017 (Million Passengers)	2018 (Million Passengers)	Growth (%)
Total Passengers	19.7	21.6	9.64
Total Self Check-In	9.65	10.66	10.47
Mobile Phone Check-In	2.17	2.49	14.75
Kiosk Check-In	3.32	3.62	9.04
Web Check-In	4.16	4.55	9.38

Thai AirAsia served 19.7 million passengers in 2017 with 9.65 million, or 49.8 percent, choosing to self check-in, while in 2018 it served 21.6 million passengers with 10.66 million or 50.16 percent using self check-in services. These statistics indicate that our passengers are keenly aware of and understand our check-in innovations and support our continued development of such methods.

## NO ONE LEFT BEHIND

### Thai AirAsia Service Leaves No One Behind

Thai AirAsia collaborated with the Rehabilitation Centre of the Thai Red Cross to design a course to improve service for guests with impaired mobility, ensuring that they receive appropriate and timely service. The training was divided into courses based on the duties of different departments and builds on the airline's Friendly Design program, focusing on providing convenience to those who are mobility impaired, affirming that "Now Everyone Can Fly".

### Thai AirAsia Customer Satisfaction

In continually improving our service, Thai AirAsia conducts a quarterly customer satisfaction survey at the arrivals at five hubs (Don Mueang International Airport, Phuket International Airport, Hat Yai International Airport, Khon Kaen Airport and Chiang Mai International Airport). A total of 570-580 guests were surveyed between 2017 and 2018.

Perceptions towards Thai AirAsia of "Better than Expected/Slightly Better than Expected" increased in 2018 (39% -> 43%) and were significantly higher year-on-year compared to 2017 (35% -> 43%). Positive factors indicated by guests included on-time service, passionate service from staff, courteousness from staff, strong human relations and smooth take-offs and landings. Guests ranked the importance of services from high to low at check-in, booking, in-flight service, boarding, disembarkation management and baggage management.

Y 2018 Y 2017

Overall Score (score 1-10)	8.72	8.60
%Satisfied passengers (T3B:10-8)	90	87
%Very satisfied passengers (T2B :10-9)	63	57

## Marketing Communication "Care More than You Know, Because Everyone Matters."

Apart from service excellence through innovation and constant customer feedback, we have also addressed key issues highlighted by our guests into our marketing communication to help our guests understand why strict rules and regulations are required during flights such as turning mobile devices off during take-off and landing, ensuring the window shades are open and putting their seats upright during take-off and landing. We seek to have our guests understand that it is our determination to serve them with quality, which includes safety, on-time operation and equality for all. While communicating this externally, we have also communicated inward to our staff so that they may understand the expectations of those they are serving.

This comprehensive and well-rounded approach allows us to improve our service, evaluate our performance and carry out communications beneficial to our operations, improving our image and loyalty to our brand for the sake of sustainability.



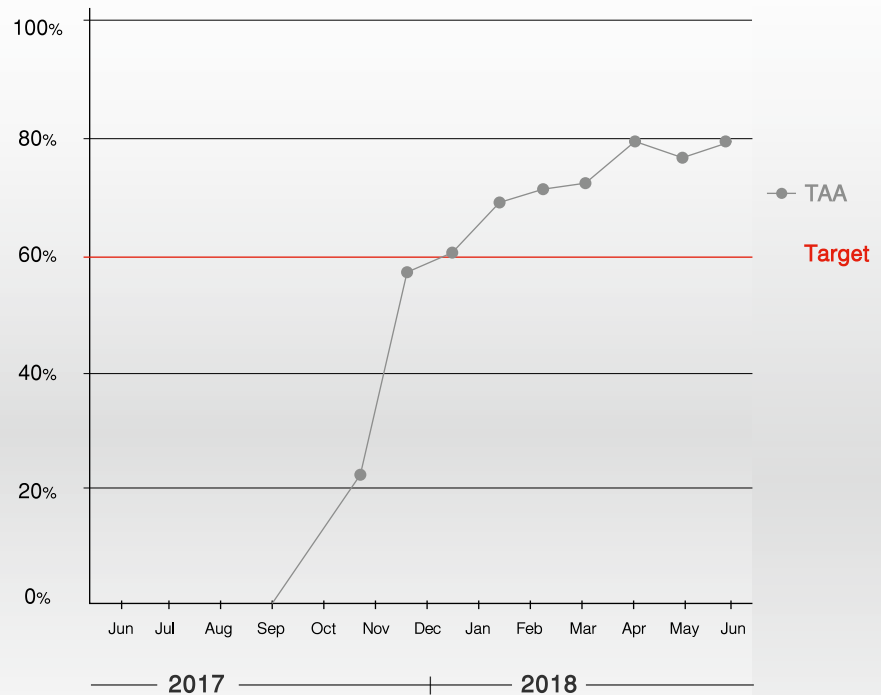
## ECO-EFFICIENCY

Thai AirAsia acknowledges that airline business is one of the major carbon emitters through jet fuel burn which partly causes Greenhouse effect or Global Warming. Our Flight Operations department has taken steps towards taking responsibility in reducing our carbon emissions through more efficient flight procedures which have been approved by relevant organisations for safety and operational efficiency. Thai AirAsia has adhered to regulations and conducted risk assessment both before and after implementation to ensure that all procedures are safe and efficient, and are also included in the operational protocol. In addition to reduction of carbon dioxide, these practices contribute to saving fuel costs and comply with the recently implemented Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) by ICAO.

### Reduced Fuel Usage and Energy Conservation

Operating over 10,000 flights a month, we are well aware of our impacts on the environment and as a result, initiated a program to reduce our fuel and energy consumption as well as noise pollution. These efforts are constantly being developed through new regulations and in-depth data collection. Examples of these efforts are as follows:

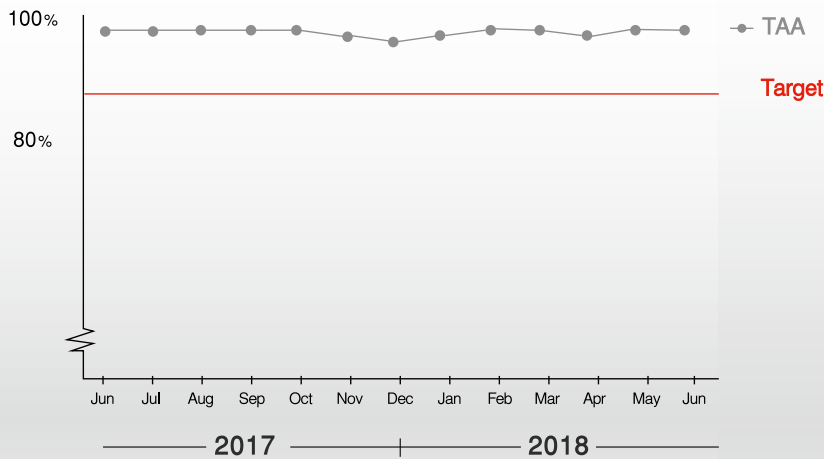
- One Engine Taxi Departure: Heavy traffic on the runway can often cause long waits for aircraft before take-off, resulting in burning unnecessary fuel and emitting more carbon emissions. This procedure reduces fuel usage by up to 7 liters/minute while an aircraft is waiting for take-off. We started implementing this procedure in September 2017 with a KPI of 60% adoption but was able to achieve 80% from the very start, among the



Uptake Rate (Jun18)	Y-o-Y	Highest Achieved (last 12 months)	Lowest Achieved (last 12 months)	Savings (2018)		Lost Opportunity (2018)	
				kg	USD	kg	USD
79	>100	79	0	565,726	449,938	0	0

highest rates in the world, with most of its fleet implementing this procedure. In the first half of 2018, Thai AirAsia was able to reduce fuel consumption by 565,726 kg.





## Reduced Flap Landing

Uptake Rate (Jun18)	Y-0-Y	Highest Achieved (last 12 months)	Lowest Achieved (last 12 months)	Savings (2018)		Lost Opportunity (2018)	
				kg	USD	kg	USD
98	0	98	96	710,419	562,713	0	0

- Reduce Flap Landing Thai AirAsia made reduced flap landing standard practice for its pilots to reduce fuel consumption as well as noise pollution during landing. The practice reduces fuel consumption during landing by 7.85 kg per single landing.

In 2018, we targeted increased use of reduced flap landing to 88% and was able to achieve 98% in the first half of the year alone, reducing fuel consumption by 710,419 kg.

- Idle Reverse Landing Thai AirAsia made Idle Reverse Landing standard practice for deceleration per standard operational regulations of pilots to reduce unnecessary noise pollution. The adoption target for 2018 was 95% but we were able to successfully finish the year with a 98% adoption rate.

## A320 with a new! engine



Airbus A320

Airbus A320 neo

Efficient engines  
Wing tip fences

**High**  
commonality  
with A320 Family

- More efficient engines
- Sharklets

Up to  
**15%**  
lower fuel burn  
and more range

## A320 neo Fleet of Thai AirAsia

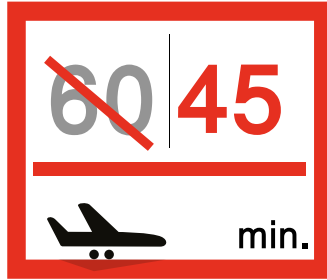
Thai AirAsia received its first Airbus A320 neo (neo: New Engine Option) on 29 October, 2016, becoming one of the world's first to operate it. By the end of 2018, we had a total fleet of 62 A320-family aircraft.

The Airbus A320 neo of Thai AirAsia fleet, are equipped with CFM International LEAP-1A engines with cutting edge design that uses 15% less energy than its predecessors.

**Operational Waste and Pollution Prevention and Reduction: APU Utilisation (APU: Auxiliary Power Units)**

Auxiliary Power Units resemble the engines equipped on aircraft wings but are much smaller in size and are installed at the tail of the aircraft. The main purpose of an APU is to generate power and high pressured air for air conditioning of the cabin while the plane is on ground and its main engines are not in operation. The unit is also used to start the main engines.

We aim to reduce the cost of using APUs, their emissions in airport areas and their fuel consumption using the following methods:



Minimise use of APUs during aircraft maintenance and boarding by supplementing ground equipment. The KPI for this method is restricting APU use to no more than 190 hours per aircraft.

Reduce APU use ahead of take-off from 60 minutes to 45 minutes.

Replace APU usage for flights set to park for over 75 minutes with Ground Power Units and Air Conditioning Units.

# APU

**Practical Results**

Jan - Nov

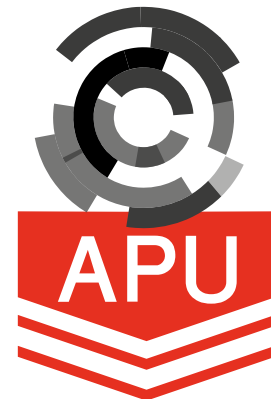


2018

Average APU usage from Jan-Nov 2018 was 195 hours per aircraft (KPI set at less than 190 hours per aircraft) from 202 hours per aircraft at the start of January.

**Future Plans**

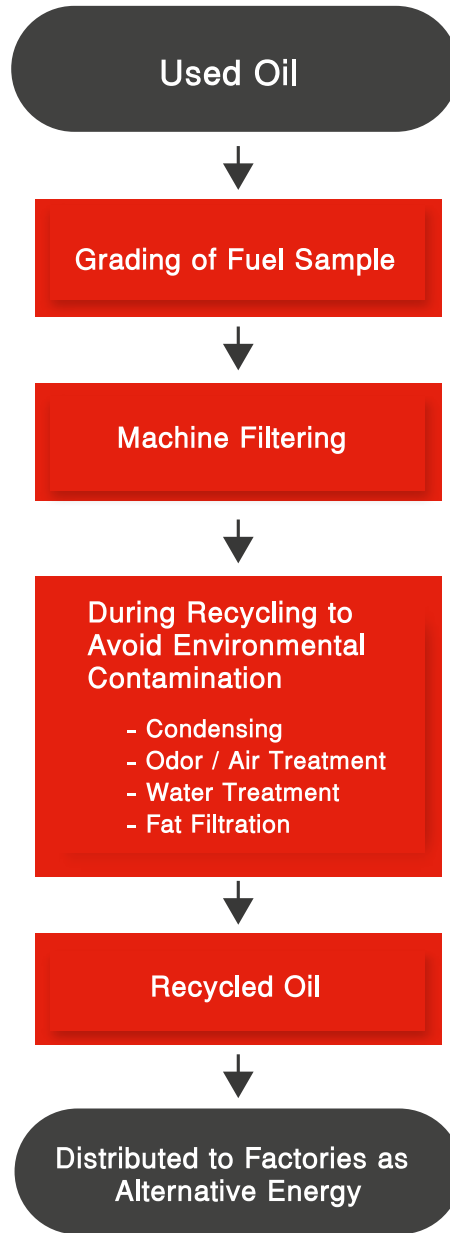
Deploy high efficiency ground equipment to permanently replace APUs





### Oil Distribution and Recycling

Waste fuel that must be distributed or recycled includes lubricants, engine oil, transmission fluid and hydraulic fluid used in the lubrication and maintenance of aircrafts. These fuels have an expiration date and must be disposed-of once expired. Thai AirAsia found that it could recycle the fuels to reduce waste as well as distribute them to contractors.



## Fuel Recycling Process

Note: This recycling process is carried out by contractors and buyers.

### Aircraft Waste Disposal and Recycling

Waste generated from the aircraft includes meal containers and food waste from in-flight sales, which must be collected and stored tightly in a garbage bag (an average of 2.5 garbage bags are used per flight). Citing an example of procedures practiced at Don Mueang Airport, the bags are collected by a waste disposal vehicle from the parking area between 06.00-22.00 hrs daily. A request for waste removal signed by an authorised airline agent must be presented to the security officer at the removal area.

All in-flight wastes are transported to the contractor for sorting and separation into Recyclable and non-recyclable waste. Usable waste, including soda cans, meal trays, beverage bottles and packing papers are separated out and packaged for recycling into their original forms such as plastic bottles are to be recycled into a new one. Unusable waste, including fruit peels, food waste and wet paper are separated out for disposal either through incineration or sent to the landfill run by state authorised companies.



## EMPLOYEE: A RESOURCE OF ACHIEVEMENT

Thai AirAsia strives towards creating the best possible work environment and culture while fostering teamwork. We treat our staff with respect and acknowledge their individuality. Employment, promotions and transfers are all based on merit and with the aim that everyone can reach their full potential. We also wish to create efficient personnel who are knowledgeable, skilled and have a good quality of life, as it is our policy that our staff are capable and ready to compete to drive strength and keep the company sustainable. Thai AirAsia provides training tailored to each of its departments and had received strong participation in the following courses:

Staff that Received Training  
**3,591 Persons**

Female Staff  
**1,300 Persons**

Proportion  
**36%**



Male Staff  
**2,291 Persons**

Proportion  
**64%**



Training Hours  
**722.5 Hours**

Number of Trainees Attended  
(Late Count)

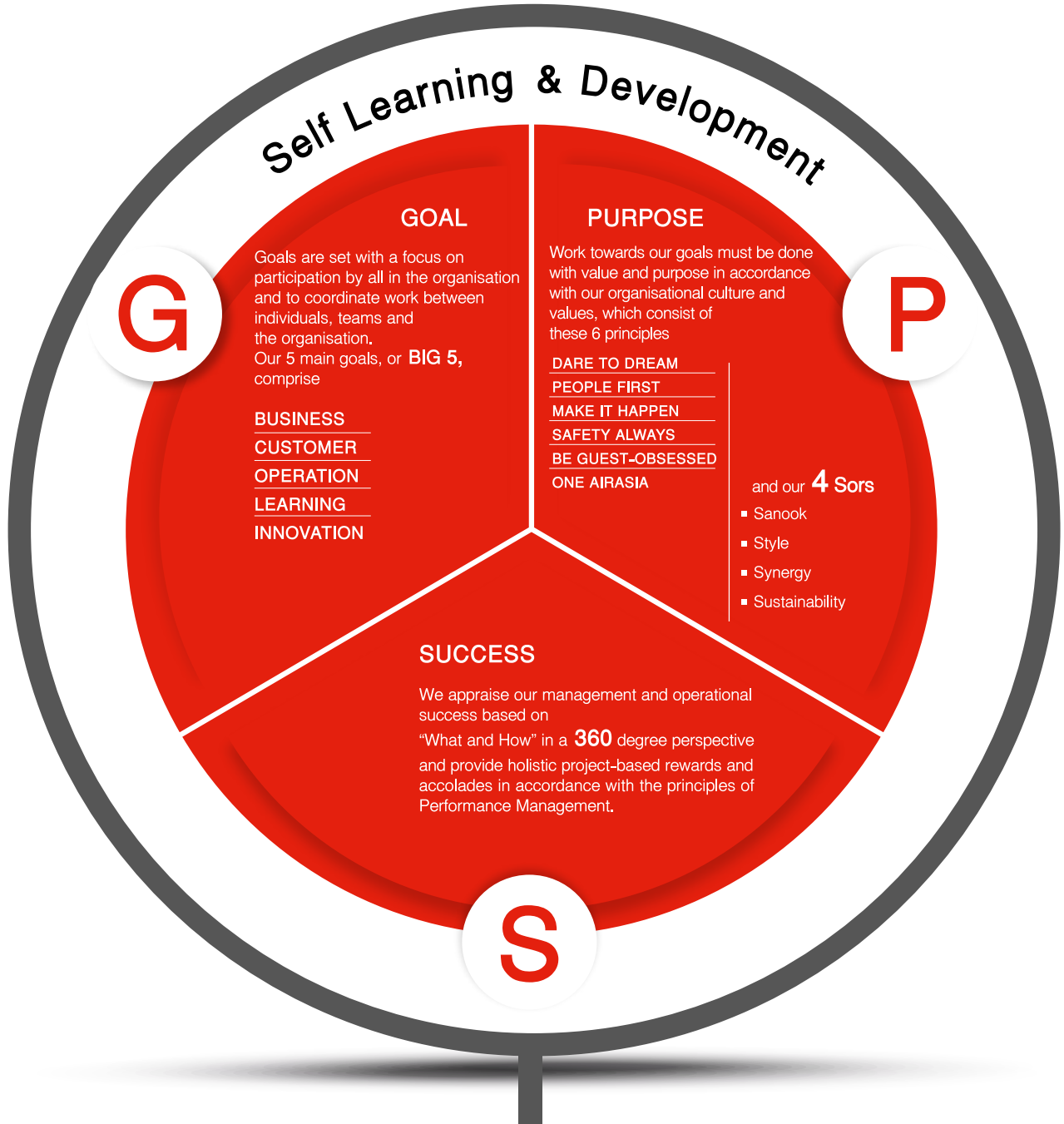
**3,825 Persons**



Average Training Hours  
per Person

**6 Hours**

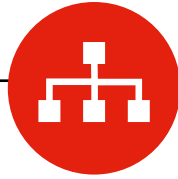
# Talent Attraction & Retention



## Self Learning & Development


Encourage continuous self-learning and development, following the training and development plans on both key skills and specific skills in the proportion of **70** percent practical learning, **20** percent mentoring, and **10** percent training.



Encourage Succession Planning to improve staff capability to efficiently fulfill higher positions, based on actual capacity of the staff and needs of the organisation.





## STAKEHOLDER ENGAGEMENT




Changes to the economy, society, technology and business competition have resulted in increased complexity in the behaviors and expectations of passengers and our various stakeholders. Thai AirAsia divides its stakeholders into five groups; government agencies, customers (passengers), communities, Employees (Allstars), as well as investors and business partners, and is always seeking to study the interests, perceptions and expectations of these groups via surveys and direct feedback, seeking the most complete picture possible to inform the development of its business in response to their needs and to create long term shared values.

Stakeholders	Communication/Feedback Channel	Frequency	Expectations/Key Issues
<b>1. Government Agencies</b> 	Take part in meetings with administrative executives and state organisations	At least 5 times	Government agencies issue licenses and oversee Thai AirAsia as a business entity.
	Report outcomes to government agencies	Monthly	Thai AirAsia must adhere to laws, work within state regulations and understand its economic, social and environmental issues.
	Take part in government agency activities and programs	Monthly	Good relations with government agencies in the provinces served by Thai AirAsia help to smoothen coordination and collaboration. Expectation for Thai AirAsia is that it will support various activities.
	Work in line with Thailand's domestic and international tourism promotion policies	At least 3 projects	Joining in the efforts of agencies to promote tourism boosts traveller numbers and the company's own image. Tourism agencies expect Thai AirAsia to take part in activities and projects to boost demand for domestic and international tourism.

Stakeholders	Communication/Feedback Channel	Frequency	Expectations/Key Issues
<b>2. Customers (Passengers)</b> 	<p>Customers (Passengers) Intake passenger opinions via the Customer Satisfaction survey</p> <p>Receive feedback and complaints via the Call Centre Live Chat, Twitter (Ask AirAsia)</p> <p>Meet with customers at Thai AirAsia Sales Offices, Thai AirAsia Travel &amp; Service Centres</p>	<p>Survey Customer Satisfaction Quarterly</p> <p>Daily Office Hours and 24 Hours a Day for Live Chat</p> <p>Daily Office Hours</p>	<p>Businesses must understand their customers to ensure their satisfactions and motivate them to return. Thai AirAsia customers expect a variety of destinations, safety, on-time service, convenience and channels of communication when needed.</p>
<b>3. Communities</b> 	<p>Regularly hold on-site visits to develop and support tourism via Journey D</p> <p>Hold activities supporting travel equality via AirAsia Friendly Design project</p> <p>Hold Thai AirAsia “Truly Low Fares, Trusted Quality Flea Market” events in service of communities and society</p> <p>Hold activities supporting health via Thai AirAsia Fly To Dreams Tennis Tournament; donate sporting equipment, football fields, basketball courts to communities; support football clubs; organise football clinics, fly national team football players to teach youths</p>	<p>Hold Monthly Meetings in 4 Communities and Conduct On-Site Visits Throughout the Year</p> <p>Hold 6 Workshops per Community</p> <p>Hold 6 Test Trips per Community (Total 24 Trips)</p> <p>3 Times To promote awareness of accessibility and support travel for people of ages and circumstances</p> <p>3 Times January: Kasetsart University, Bangkok February: Chiang Rai April: Phuket</p> <p>1 Time per month on average</p>	<p>Thai AirAsia looks to be a part of supporting community strength and sustainability.</p> <p>Good relations and shared long term values create trust between us and communities, bolstering our brand strength.</p>

Stakeholders	Communication/Feedback Channel	Frequency	Expectations/Key Issues
<b>Media</b> 	<p>Activities that are able to communicate with and reach the media such as press conferences, group interviews, and etc.</p> <p>Press releases Inaugural flights Familiarisation trips Media visits</p>	<p>20 Times (12 abroad, 5 in Bangkok, and 3 in other regions)</p> <p>79 Press Releases 21 Times 17 Trips 5 Media Visits (1 in Bangkok, 4 in other regions)</p>	<p>Thai AirAsia looks to be part of community's strength and sustainability supporter.</p> <p>Good relations and shared long term values create trust between us and communities, bolstering our brand strength.</p>
<b>4. Employees (Allstars)</b> 	<p>Regular internal electronic communication via Workplace by Facebook</p> <p>Regular internal staff evaluations</p> <p>Meetings to exchange views with executives</p> <p>Operations meetings</p> <p>Staff engagement activities through Allstars Do Good campaign which encourages staff to volunteer according to their specialties</p> <p>Creation of opportunities for staff to showcase their abilities ie. Sports clubs</p>	<p>Daily</p> <p>Every 6 Months</p> <p>Weekly</p> <p>Monthly</p> <p>Monthly</p> <p>Daily</p>	<p>Staff are the main drivers &amp; at the heart of Thai AirAsia, providing values to our customers. Thus, it is important that they understand the company's needs, challenges and inspirations, so that they may initiate projects and activities in line with company policies. Staff expect the company to hear their ideas, laud their achievements, fairly assess and reward, and continually develop their capabilities.</p>



Stakeholders	Communication/Feedback Channel	Frequency	Expectations/Key Issues
<b>5. Investors</b> 	Results Briefing by Management  Local and International Non-Deal Roadshows  Annual General Meeting  Site visit  Company's website	Quarterly  13 Times  Annually  Annually  Always	Investors mainly require access to information that is accurate, consistent, on-time and timely. The information must be disclosed with transparency, neutrality and fairness to support investment decision.
<b>Financial Institutions</b> 	Meeting, conference and discussion about operational results and company's projects  Coordination on transaction procedures  Inform and deliver data and reports about the transactions  Seminar and academic meeting about economic condition, financial market and capital market	2 Times per year  Throughout the year  Monthly  Monthly	Support from financial institutions strengthens our business, grows our fleet and allows us to acquire aircrafts as targeted. Financial institutions expect us to grow as per target and maintain fiscal discipline.
<b>6. Business Partners (aircraft manufacturers, engine manufacturers, aircraft repair centres)</b> 	Meetings, conferences, phone calls, workshops, communications via representatives  Teleconferences with manufacturers for updates  Aircraft and engine manufacturers visit the Thai AirAsia fleet  Meetings with aircraft and engine manufacturers  24 hour chat room for engineering teams from both Thai AirAsia and manufacturer	Monthly  Monthly  2 Times per year  Yearly  Always	Thai AirAsia must work with aircraft and engine manufacturers as well as aircraft repair centres. Apart from being partners, aircraft and engine manufacturers provide operational support to Thai AirAsia such as daily maintenance check and provide consultation about repair, ensuring that our aircraft operate optimally. They also receive product feedback from us and share the repair procedures with other airlines, bettering the aviation industry as a whole.



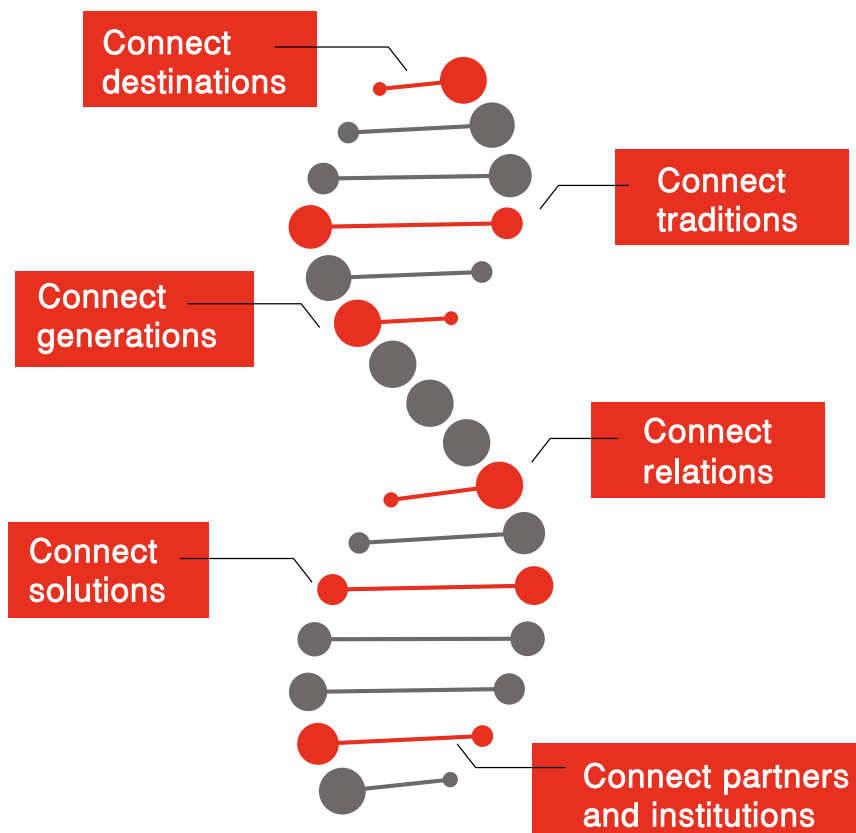
## COMMUNITY INVESTMENT FOR SUSTAINABLE TRAVEL

Aviation business is the main mechanism that drives the tourism industry, acting as both the 'receiver' and 'creator' of revenue that is circulating in the industry. As the tourism industry grows, excessive expansion can lead to 'Over Tourism' and irresponsible travel practices.

Thai AirAsia recognized "Over Tourism" or irresponsible travelling as a risk factor that causes negative impact to the operation of the airline due to deteriorating travel site, or closure of it. This implies that we too may have to halt our flight service to that destination. To overcome this, Thai AirAsia established a sustainable tourism support and development project, known as Journey D.

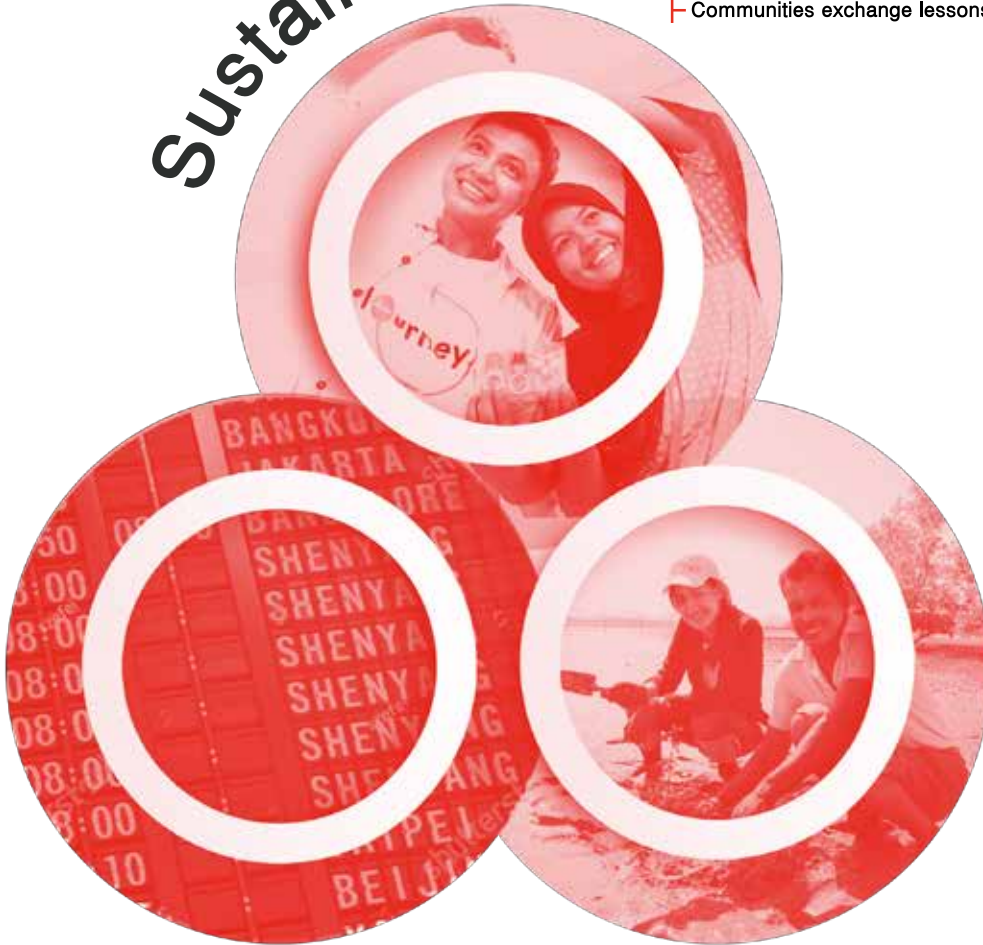
### Journey D A Project to Support and Develop Sustainable Community-Based Tourism

Acknowledging that we have the responsibility to reduce negative impacts on the tourism industry and that we are the major player in the tourism segment that maintains relationships with a variety of stakeholders, Thai AirAsia aims to promote "Sustainable Tourism" for the benefits of all stakeholders. These realisations led us to establish a sustainable community tourism support and development project.



## THREE TARGETS OF COMMUNITY-BASED TOURISM SUPPORT AND DEVELOPMENT

# Sustainability



### Society

- Allow community members to participate in tourism
- Community establish good relations, work harmoniously
- Mutual benefits
- Local wisdom is preserved
- Communities exchange lessons

### Economy

Fair dispersion of revenue with no monopolization, community members have improved stability and opportunities for revenue

### Environment

- Natural Environment  
Natural balance is preserved and no waste is generated ie. Avoid use of plastic and foam, avoid wastewater, rehabilitate nature
- Human Environment  
Maintain the state and beauty of the location ie. Home and structures with historic significance

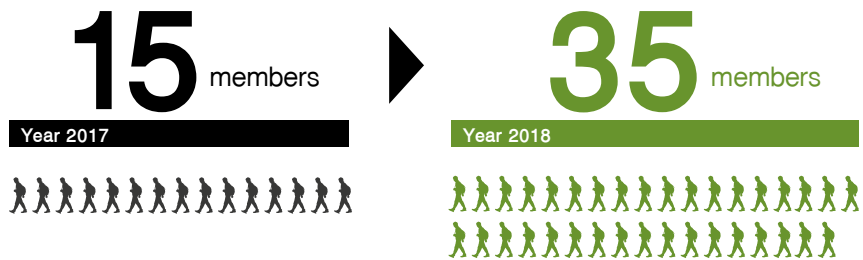
## Results of CBT Assessment, Journey D 2018

Summary  
Phrom Lok Community,  
Nakhon Sri Thammarat  
Province  
Year 2017-2018



	Income	Number of Tourists	Number of Homestays
2017	<b>2.6 million</b> baht / year	<b>1,568</b> tourists / year	<b>10</b> establishments
2018	<b>3.4 million</b> baht / year	<b>2,820</b> tourists / year	<b>15</b> establishments

### Tourists Club Membership



Summary  
Khok Mueng Community,  
Buriram  
Province  
Year 2017-2018



	Income	Number of Tourists
2017	<b>2.3 million</b> baht / year	<b>1,850</b> tourists / year
2018	<b>4.6 million</b> baht / year	<b>2,488</b> tourists / year

### Tourists Club Membership



Summary  
Koh Klang Community,  
Krabi  
Province  
Year 2017-2018

2018

Income of Accommodation Sector	Number of Tourists
<b>60,000</b> baht / year	<b>1,240</b> tourists / year

Tourists Club Membership

**15** members  
Year 2017

➔

**50** members  
Year 2018

Income of 3-wheel Motorcycle Taxi / person / month	<b>10,500</b> baht
Income of Sea Shuttle Boat / person / month	<b>30,000</b> baht
Income of Fabric Dyeing Group / person / month	<b>26,000</b> baht

Summary  
Pha Mhee Community,  
Chiangrai  
Province  
Year 2017-2018

**Homestay**

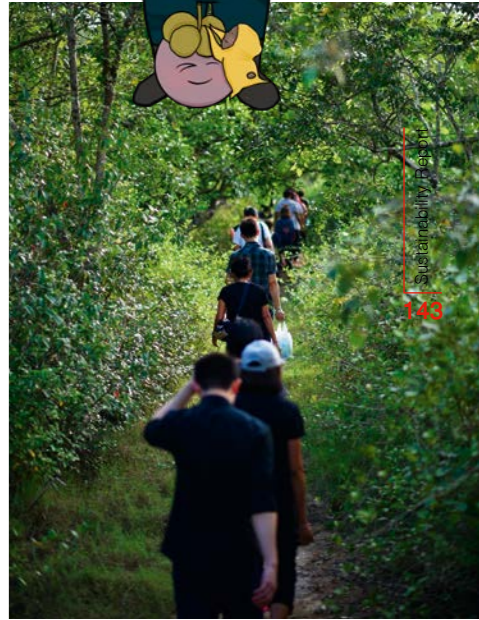
**0** ➔ **4** Number of homestay  
Year 2017 Year 2018

**0** ➔ **60** Guest capacity / night  
Year 2017 Year 2018

Coffee Shops in The Community

**2** ➔ **7** Number of Coffee Shops  
Year 2017 Year 2018

**20,000** Income in baht / day /shop



## Thai AirAsia Leaves No One Behind

A survey by the National Statistics Office of Thailand conducted in 2017 counted 3.7 million differently-abled citizens among the Thai population, while the Department of Older Persons indicated there were over 10.2 million senior citizens in the country in 2017. Both of these groups require special care during travel and are entitled to equal access to all public sites.

As an air travel provider, we wish to provide service to every type of travellers under the concept 'Tourism for All' and 'Accessibility to All', which are in line with our business philosophy of 'Now Everyone Can Fly'. We provide equal access to travel, but also strictly adhere to the aviation industry's safety standards. This is how the establishment of 'AirAsia Friendly Design' came about, with details as follows:

### 1. Development of Thai AirAsia Staff Service

PRM (Persons with Reduced Mobility) Service Training for Thai AirAsia staff

- 1.1 Staff are trained to understand international service practices and improve safety and service for passengers with reduced mobility based on guidance from the Thai Red Cross Rehabilitation Centre.
- 1.2 Training to increase awareness among staff on equality for passengers with reduced mobility.

Trained staff includes guest services, ramp and cabin crew with training tailored to each of their functions. About 1,268 staff received training in 2018 from the Thai Red Cross Rehabilitation Centre with 246 receiving accreditation and about 1,022 equipped to carry out internal training.



## 2. Friendly Design Program's Supporting Activities

- 2.1 Increasing awareness towards travel equality in collaboration with Friendly Design led by foundation President Krisana Lalai. The program organised meetings in various provinces with public and private agencies involved in ensuring universal access to buildings and locations, seeking to raise further awareness.
- 2.2 Employment in Accordance with Article 35 of the Disabled Persons Quality of Life Development Act, which supports the contracting of disabled individuals. Thai AirAsia collaborated with Friendly Design for All Foundation in support of the Friendly Design Human Resources Network, especially focusing on driving the universal design. In 2018, Thai AirAsia and Thai AirAsia X hired over 64 differently-abled persons.
- 2.3 Youth Co: Lab 2018 in association with the Thailand Social Innovation Platform of the United Nations Development Program (UNDP). Thai AirAsia presented a topic on "Disability and Social Inclusion" that stresses on society for all and leaving no one behind, creating an opportunity for youths to submit social innovation projects geared towards improving the lives of differently-abled persons. In 2018, over 100 projects by youths and social enterprises were submitted from across the nation. Three final teams were also selected for further study about sustainability in Japan in 2019.



## 3. To Indonesia/Laos with Love

### Thai AirAsia Joins in Disaster Relief Efforts

- Following damage caused by a major earthquake and tsunami on the coast of Sulawesi, Indonesia, Thai AirAsia organised a donation drive among its passengers to collect relief and reconstruction funds for those impacted. The donations were combined with funds from the AirAsia Foundation and forwarded to the Arkom Indonesia Foundation. The donation drive, which took place from 12-31 October 2018, collected 3.8 million THB.



- The Xe Pian Xe Namnoy Dam collapse on 23 July 2018 resulted in a major flood of the Attapeu region 80 kilometers away from Pakse in Laos, causing heavy damage. To assist those impacted, Thai AirAsia launched the "To Laos with Love" program, transporting relief items and equipment from Thai public and private offices from Thailand to Lao.





# INTERNAL CONTROL AND RISK MANAGEMENT

## INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors has put the comprehensive internal control system in place in order to ensure the Company and its subsidiary's compliance with the objectives, Article of Association and applicable rules and regulations, as well as the check and balance mechanism to effectively protect the capital and investment of shareholders and asset of the Company and its subsidiary. The Company has stipulated levels of authority and responsibilities of Management and employees and operating regulations in writing. The Internal Audit Department has its duty to audit the operation of all departments in the Company and its subsidiary to ensure compliance with the established rules and regulations. The Audit Committee oversees the management and operation of the Company in order to ensure an effective internal control and reliable financial reporting system. The Internal Audit Department reviews and evaluates the internal control system of the Company and its subsidiary and reports the audit result directly to the Audit Committee.

At the Board of Directors Meeting No. 1/2019 on February 27, 2019, the Audit Committee consisting of 3 independent directors attended the meeting. The Board of Directors evaluated the internal control system by asking Head of the Internal Audit Department and concluded that from the evaluation of various aspects of the Company's internal control system, i.e. 5 components; control environment; risk assessment; control activities; information and communication. The Company provided sufficient personnel to implement the system efficiently including the internal control system on the supervision of the subsidiary operations to prevent the misuse of the Company's and its subsidiary assets from the Directors or the Management without authorisation. It also included the transactions with persons who might have conflicts of interest and related parties. For internal control in other topics, the Board of Directors agreed that there were sufficient internal control. In addition, no significant error on internal control system was found from the operations carried by the internal audit unit in 2018 in auditing various organisations in the Company, which may have any impact on the Company's and its subsidiary operations. The external auditor did not report any significant errors as well.

## Head of the Internal Audit

The Company assigned Miss Duangporn Tantiwiat as the Company's Head of Internal Audit on July 15, 2011 because she has gained experiences in accounting audit and internal audit operations for over 10 years and understands the Company's and its subsidiary activities and operations. As a result, it is appropriate for her to be able to sufficiently perform the functions.

However, the consideration and approval of appointing, removing and transferring Head of Internal Audit must be approved by the Audit Committee.

## Compliance

The Company assigned Miss Nisres Distes as Compliance to oversee the compliance to regulations set by the authorities supervising the Company's business operations.

## The person taking the highest responsibility in finance and accounting and the person supervising accounting

Board of Directors Meeting No. 4/2016 on July 6, 2016 passed the resolution to appoint Mr. Santhat Sanguandikul as Chief Financial Officer who is the highest responsibility in finance and accounting department. In addition, the Company assigned Mr. Nitirat Phoullasiri as Financial Controller of the Company and its subsidiary to be the person supervising accounting since December 6, 2016. Their qualifications meet the requirements of the Stock Exchange of Thailand and The Securities and Exchange Commission Thailand.

## Risk Management

Asia Aviation is aware and realises the importance of risk management in order to achieve effectiveness and efficiency in the management of the Company and its subsidiary and to promote confidence among stakeholders. However, as Asia Aviation operates its business by holding shares in Thai AirAsia therefore, risk management system has been established for Thai AirAsia which is its subsidiary, with details as follows:

Thai AirAsia's Board of Directors has approved the policy and guideline in risk management for each department to adopt in evaluating, analysing, ranking, and setting direction and strategy to manage risks, along with setting scopes and responsibilities of each relevant department with details of policy, process, risk management framework, as follows:

### Principle and Policy

1. Thai AirAsia is aware that risk is the main factor in business operation from setting the strategy and business plan, to daily business operation. The Company aims to manage risks to the acceptable level and uses resources in an effective and efficient manner.
2. Risk management is part of the organisation culture that is communicated and assigned to the Management and all employees to realise its importance, and to participate in all the process of risk management.
3. The Management and employees jointly identify, evaluate, and set up risk management semi-annually.
4. Risk Management Committee and Audit Committee evaluate the framework for risk management annually and prepare a report.
5. Each step of risk management shall be reported in writing.

### Framework for Risk Management

1. Roles and responsibilities of each unit on risk management include:
  - Board of Directors and Chief Executive Officer identify direction and strategy, and set up structure and overall environment for the Company to support risk management effectively. Board of Directors also evaluates risk assessment and risk management plan, and approves the operation according to plan.
  - Risk Management Committee specifies risk management policy to cover all risks in management, considers and approves risk management plan, establish working groups and evaluates, assesses, monitors, reports systematically, and recommends risk management process to each unit, and constantly monitors and reports the results to the Audit Committee.
  - Audit Committee examines the risk management to ensure that risks are managed and controlled effectively and at the acceptable level.
  - Internal Audit Department examines the internal control system in the area related to risks specified by the Management as significant, examines the overall risk management procedure, and prepares all the results for report to the Company's Board of Directors, Audit Committee, and other relevant unit.

- Process owners identify, analyse, manage and evaluate risks in their own areas of responsibilities.
2. The aim is to summarise the principle and process adopted by Thai AirAsia in managing risks by jointly apply the policy and process for risk management to identify and manage risks that have the tendency to affect the efficiency and growth of Thai AirAsia.
  3. Risk management process includes setting up objectives, goals, and strategies for risk identification, risk assessment, risk evaluation, risk management, and risk monitoring and reporting.

The operation has followed the framework for risk management under the international standards set by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as follows:

1. Considering the characteristics of existing or future risks by identifying events or risk factors that may affect or contribute to the achievement of the organisation's and operational goals appropriately by considering risks from the internal operation, laws, society, politics, and external environment, and assigning all departments to identify and categorise risks systematically, and monitoring changes and reporting to the Management or relevant party regularly.
2. Evaluating risk by specifying criteria for evaluation at each level appropriately at the organisational and operational level, and qualitatively and quantitatively evaluating level of risk by considering both acceptable and unacceptable risks in two aspects, which are the impact of the risk taking place and the possibility of the risk for taking place by specifying the level of risk as high, medium or low.
3. Setting strategy to respond to risk at each level and overall risk by avoiding, reducing, averting, and accepting risk, to ensure that all alternatives are efficiently and worthily considered by managing the high risk first to reduce the possibility and impact of the risk.
4. Each department heads controls, evaluates, and monitors results of risk management to keep it to the acceptable and appropriate level, and regularly revises changes or increases of risks in a risk evaluation report to the Senior Management.
5. Risk Management Committee follows up on the success of risk management by considering the plan of the Management who responsible for risk factors and the result of the credible evaluation from operation. In each meeting, Risk Management Committee assigns the responsible Management to report the result of risk management for the Audit Committee's acknowledgement.

# RELATED PARTIES TRANSACTIONS

In the years ended 31 December 2018 and 2017, AAV and TAA have engaged certain transactions with persons who may have conflicts of interest as follows:

## 1. PASSENGER REVENUE RECEIVED ON BEHALF OF MEMBERS WITHIN AIRASIA GROUP

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia Berhad (AAB)	AAGB is major shareholder in AAB and AAGB is also the indirect major shareholder in TAA through AirAsia Investment Limited which holds 45% equity interest in TAA.	Passenger revenue received on behalf 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 AirAsia Group in order to provide customers with convenience in booking ticket across the AirAsia network on the website and 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 AirAsia Group when payment is made in foreign currency.
(2) PT Indonesia AirAsia (IAA)	IAA is an associate of AAGB in which AAGB holds indirect 57% equity interest and operates low cost airlines business in Indonesia.	<b>1.1 Revenue that AAB received on behalf of TAA</b> Receivable from receipts on behalf - AAB	8,025,838,343	6,834,057,135	
			881,094,052	763,661,815	
(3) AirAsia (India) Limited (AAI)	AAI is an associate of AAGB in which AAGB holds indirect 49% equity interest and operates low cost airlines business in India.	<b>1.2 Revenue that IAA received on behalf of TAA</b> Receivable from receipts on behalf - IAA	275,344,836	369,561,196	<b>Pricing :</b> Reimbursed on actual receipts on behalf of
			302,258,328	204,415,550	
(4) AirAsia X Berhad (AAX)	AAX has director who is also director in TAA; Datuk Kamarudin Bin Meranun.	<b>1.3 Revenue that AAI received on behalf of TAA</b> Receivable from receipts on behalf - AAI	31,761,715	24,912,635	<b>Payment term :</b> within 30 days  <b>Transaction in the future :</b> 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. TAA has been discussing with the banks to resolve the limitation in the payment gateway's system in the future.
			22,860,397	3,702,148	
		<b>1.4 Revenue that AAX received on behalf of TAA</b> Receivable from receipts on behalf - AAX	482,029,236	337,426,938	
			1,825,815,550	1,362,100,050	
		<b>1.5 Revenue that TAAX received on behalf of TAA</b> Receivable from receipts on behalf - TAAX	134,434,122	85,848,705	
			13,859,126	8,214,326	
<b>1.6 Revenue that PAAI received on behalf of TAA</b> Receivable from receipts on behalf - PAAI	15,784,860	23,628,403			
		6,967,851	1,247,444		

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(5) Thai AirAsia X (TAAX)	TAAX has four directors who are also directors in TAA; Mr. Tassapon Bijleveld, Datuk Kamarudin Bin Meranun, Mr. Phairat Pornpathananangoon and Mrs.Pattra Boosarawongse. Mr. Tassapon Bijleveld is the indirect shareholder in TAAX who holds 46%.	<b>1.7 Revenue that IAAX received on behalf of TAA</b>	5,274,914	6,733,378	
		Receivable from receipts on behalf - IAAX	778,954	4,014,697	
		<b>1.8 Revenue that AAJ received on behalf of TAA</b>	564,821	208,194	
		Receivable from receipts on behalf - AAJ	66,783	17,891	
(6) Philippines AirAsia, Inc. (PAAI)	PAAI is an associate of AAGB in which AAGB holds indirect 40% equity interest and operates low cost airlines business in Philippines.	<b>1.9 Revenue that TAA received on behalf of AAB</b>	2,082,447,371	1,464,220,783	
		Payable from receipts on behalf - AAB	245,393,288	198,240,438	
		<b>1.10 Revenue that TAA received on behalf of IAA</b>	212,457,061	201,883,997	
(7) PT Indonesia AirAsia X (IAAX)	IAAX is an associate of AAX in which AAX holds direct 49% equity interest and operates low cost airlines business for long-haul flight in Indonesia.	Payable from receipts on behalf - IAA	216,518,479	69,830,772	
		<b>1.11 Revenue that TAA received on behalf of AAX</b>	266,578,624	338,193,557	
		Payable from receipts on behalf - AAX	1,575,747,046	1,312,145,947	
(8) AirAsia Japan (AAJ)	AAJ is an associate of AAGB in which AAGB holds indirect 33% equity interest and operates low-cost airlines business in Japan.	<b>1.12 Revenue that TAA received on behalf of TAAX</b>	2,013,835,834	1,516,384,588	
		Payable from receipts on behalf - TAAX	159,685,843	148,692,093	
		<b>1.13 Revenue that TAA received on behalf of PAAI</b>	266,768,677	78,275,992	
		Payable from receipts on behalf - PAAI	52,726,077	6,948,034	
		<b>1.14 Revenue that TAA received on behalf of AAI</b>	1,927,421	(1,407,694)	
		Payable from receipts on behalf - AAI	2,280,305	263,752	
		<b>1.15 Revenue that TAA received on behalf of IAAX</b>	50,391,547	70,621,161	
Payable from receipts on behalf - IAAX	566,033	23,117,702			
		<b>1.16 Revenue that TAA received on behalf of AAJ</b>	421,323	60,783	
		Payable from receipts on behalf - AAJ	242,776	14,766	

## 2. ADVANCE PAYMENT ON BEHALF OF MEMBERS WITHIN AIRASIA GROUP

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia Berhad (AAB)	AAGB is major shareholder in AAB and AAGB is also the indirect major shareholder in TAA through AirAsia Investment Limited which holds 45% equity interest in TAA.	Advance payment on behalf within AirAsia Group 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 AirAsia Group, 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) PT Indonesia AirAsia (IAA)	IAA is an associate of AAGB in which AAGB holds indirect 57% equity interest and operates low cost airlines business in Indonesia.				
(3) AirAsia X Berhad (AAX)	AAX has director who is also director in TAA; Datuk Kamarudin Bin Meranun.	<p><b>2.1 TAA makes advance payment on behalf of AAB</b></p> <p>Receivable on advance payment - AAB</p>	483,532,307	437,120,062	<p><b>Pricing :</b></p> <p>Reimbursement based on actual advance payment or in portion according to the agreed allocation.</p>
(4) Thai AirAsia X (TAAX)	TAAX has four directors who are also directors in TAA; Mr. Tassapon Bijleveld, Datuk Kamarudin Bin Meranun., Mr. Phairat Pornpathananangoon and Mrs. Pattra Boosarawongse. Mr. Tassapon Bijleveld is the indirect shareholder in TAAX who holds 46%.	<p><b>2.2 TAA makes advance payment on behalf of IAA</b></p> <p>Receivable on advance payment - IAA</p>	21,781,200	16,381,767	
		<p><b>2.3 TAA makes advance payment on behalf of AAX</b></p> <p>Receivable on advance payment - AAX</p>	1,554,689	4,326,060	<p><b>Payment term :</b> within 30 days</p>
		<p><b>2.4 TAA makes advance payment on behalf of TAAX</b></p> <p>Receivable on advance payment - TAAX</p>	22,818,958	8,414,744	
		<p><b>2.5 TAA makes advance payment on behalf of PAAI</b></p> <p>Receivable on advance payment - PAAI</p>	710,762,766	130,498,928	<p><b>Transaction in the future :</b></p> <p>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.</p>
		<p><b>2.6 TAA makes advance payment on behalf of AAI</b></p> <p>Receivable on advance payment - AAI</p>	50,328,481	1,407,067	
		<p><b>2.7 TAA makes advance payment on behalf of IAAX</b></p> <p>Receivable on advance payment - IAAX</p>	432,539	715,598	
		<p><b>2.8 TAA makes advance payment on behalf of AAJ</b></p> <p>Receivable on advance payment - AAJ</p>	392,924	36,315	
			836,668	614,917	
			203,487	220,149	
			154,427	72,626	
			990	-	

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(5) Philippines AirAsia, Inc. (PAAI)	PAAI is an associate of AAGB in which AAGB holds indirect 40% equity interest and operates low cost airlines business in Philippines.	<b>2.9 TAA makes advance payment on behalf of AAE</b>	637,441	2,332,887	
		Receivable on advance payment - AAE	-	500,000	
(6) AirAsia (India) Limited (AAI)	AAI is an associate of AAGB in which AAGB holds indirect 49% equity interest and operates low cost airlines business in India.	<b>2.10 TAA makes advance payment on behalf of TIMB</b>	130,596	710,048	
		Receivable on advance payment - TIMB	1,274,138	710,048	
(7) PT Indonesia AirAsia X (IAAX)	IAAX is an associate of AAX in which AAX holds direct 49% equity interest and operates low cost airlines business for long-haul flight in Indonesia.	<b>2.11 TAA makes advance payment on behalf of THT</b>	-	-	
		Receivable on advance payment - THT	-	252,278	
(8) AirAsia Japan (AAJ)	AAJ is an associate of AAGB in which AAGB holds indirect 33% equity interest and operates low cost airlines business in Japan.	<b>2.12 TAA makes advance payment on behalf of THSB</b>	-	-	
		Receivable on advance payment - THSB	-	1,387,576	
(9) AAE Travel Pte Ltd. (AAE)	AAE is an associate of AAB in which AAB holds indirect 25% equity interest and provided travel information, determining the availability of travel-related goods and services, making legitimate reservations or otherwise transacting business with travel suppliers.	<b>2.13 TAA makes advance payment on behalf of TTSB</b>	2,243,486	-	
		Receivable on advance payment - TTSB	560,996	-	
(10) Tune Insurance Malaysia Berhad (TIMB)	Tune Protect Group Berhad has director who is also director in TAA; Datuk Kamarudin Bin Meranun. TIMB is a subsidiary of Tune Protect Group Berhad in which Tune Protect Group Berhad holds direct 83.3% equity interest.	<b>2.14 TAA makes advance payment on behalf of AAPL</b>	103,242	1,101,170	
		Receivable on advance payment - AAPL	-	41,717	
(11) Tune Hotels Regional Services (Thailand) Co., Ltd. (THT)	Tune Group Sdn Bhd has director who is also director in TAA; Datuk Kamarudin Bin Meranun. Tune Group Sdn Bhd is major shareholder in THT, THSB and TTSB	<b>2.15 TAA makes advance payment on behalf of GFB</b>	2,806,183	266,375	
		Receivable on advance payment - GFB	2,927,505	266,375	
(11) Tune Hotels Regional Services (Thailand) Co., Ltd. (THT)	Tune Group Sdn Bhd has director who is also director in TAA; Datuk Kamarudin Bin Meranun. Tune Group Sdn Bhd is major shareholder in THT, THSB and TTSB	<b>2.16 TAA makes advance payment on behalf of IHQ</b>	224,058	-	
		Receivable on advance payment - IHQ	224,058	-	
(11) Tune Hotels Regional Services (Thailand) Co., Ltd. (THT)	Tune Group Sdn Bhd has director who is also director in TAA; Datuk Kamarudin Bin Meranun. Tune Group Sdn Bhd is major shareholder in THT, THSB and TTSB	<b>2.17 TAA makes advance payment on behalf of AGZ</b>	21,507,235	-	
		Receivable on advance payment - AGZ	1,512,062	-	
(11) Tune Hotels Regional Services (Thailand) Co., Ltd. (THT)	Tune Group Sdn Bhd has director who is also director in TAA; Datuk Kamarudin Bin Meranun. Tune Group Sdn Bhd is major shareholder in THT, THSB and TTSB	<b>2.18 TAA makes advance payment on behalf of TBD</b>	21,585,025	-	
		Receivable on advance payment - TBD	2,942,591	-	
(11) Tune Hotels Regional Services (Thailand) Co., Ltd. (THT)	Tune Group Sdn Bhd has director who is also director in TAA; Datuk Kamarudin Bin Meranun. Tune Group Sdn Bhd is major shareholder in THT, THSB and TTSB	<b>2.19 AAB makes advance payment on behalf of TAA</b>	735,196,098	1,185,029,144	
		Payable on advance payment - AAB	66,469,843	57,597,611	

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(12) Tune Hotels Regional Services Sdn. Bhd. (THSB)		<b>2.20 IAA makes advance payment on behalf of TAA</b>	44,942,835	29,304,585	
		Payable on advance payment - IAA	46,827,593	12,045,931	
(13) Tune Talk Sdn. Bhd. (TTSB)		<b>2.21 AAI makes advance payment on behalf of TAA</b>	2,111,421	15,214,937	
		Payable on advance payment - AAI	2,832,440	1,153,447	
(14) AirAsia Pte. Ltd. (AAPL)	AAPL is a subsidiary of AAGB in which AAGB holds indirect 100% equity interest through AirAsia Investment Limited and operates ground handling service to AirAsia Group flight at Singapore station.	<b>2.22 AAX makes advance payment on behalf of TAA</b>	16,749,496	9,955,493	
		Payable on advance payment - AAX	56,759,176	53,747,305	
		<b>2.23 TAAX makes advance payment on behalf of TAA</b>	13,075,651	4,708,513	
(15) Great Fortune Broker Co., Ltd. (GFB)	GFB is broker for Tune Insurance PLC which was hold direct 49% equity interest from Tune Protect Group Berhad. Tune Protect Group Berhad has director who is also director in TAA; Datuk Kamarudin Bin Meranun.	Payable on advance payment - TAAX	76,392	-	
		<b>2.24 PAAL makes advance payment on behalf of TAA</b>	155,314	19,120	
		Payable on advance payment - PAAL	61,676	-	
(16) AirAsia (IHQ) Limited (IHQ)	AAGB is major shareholder in IHQ and AAGB is also the indirect major shareholder in TAA. IHQ has three directors who are also directors in TAA; Mr. Tassapon Bijleveld, Mr. Rozman Bin Omar and Mrs.Pattra Boosarawongse.	<b>2.25 IAAX makes advance payment on behalf of TAA</b>	79,269	158,562	
		Payable on advance payment - IAAX	-	137,009	
		<b>2.26 AAE makes advance payment on behalf of TAA</b>	36,666,800	1,455,353	
(17) AirAsia (Guangzhou) Aviation Service Limited (AGZ)	AGZ have the same major shareholder which is AirAsia Investment Limited and AirAsia Investment Limited hold 100% equity in AGZ and hold 45% equity interest in TAA.	Payable on advance payment - AAE	2,408,422	-	
		<b>2.27 AAPL makes advance payment on behalf of TAA</b>	696,080	24,310,052	
		Payable on advance payment - AAPL	-	2,414,826	
(18) Big Loyalty Sdn. Bhd. (TBD)	TBD is an indirect subsidiary of AAGB which AAGB holds 80% equity interest.	<b>2.28 AGZ makes advance payment on behalf of TAA</b>	103,787,862	-	
		Payable on advance payment - AGZ	17,520,617	-	
(19) Asia Aviation Capital Limited (AAC)	AAC is an indirect subsidiary of AAGB in which AAGB hold 100% equity interest.	<b>2.29 AAC makes advance payment on behalf of TAA</b>	1,630,740	-	
		Payable on advance payment - AAC	1,630,740	-	

### 3. INTEREST INCOME AND INTEREST EXPENSES WITHIN AIRASIA GROUP

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia (India) Limited (AAI)	AAI is an associate of AAGB in which AAGB holds indirect 49% equity interest and operates low cost airlines business in India.	Interest income and interest expense within AirAsia Group is calculated upon the late payment of the net outstanding receivables/payables for more than 30 days from invoice date.			TAA and companies within AirAsia Group have charged interest within the group on the late payment of the net outstanding receivables/payables over the due date, which is 30 days from invoice date.
(2) AirAsia X Berhad (AAX)	AAX has director who is also director in TAA; Datuk Kamarudin Bin Meranun.	<p><b>3.1 Interest income:</b> TAA receives interest income from related parties on the delay of payment.</p> <p><b>3.1.1 Interest income - AAI</b></p> <p>Outstanding net receivable - AAI</p> <p>Interest income receivable - AAI</p> <p><b>3.1.2 Interest income - AAX</b></p> <p>Outstanding net receivable - AAX</p> <p>Interest income receivable - AAX</p>	<p>166,773</p> <p>-</p> <p>322,505</p> <p>2,854,981</p> <p>-</p> <p>25,064,326</p>	<p>2,841,089</p> <p>-</p> <p>151,099</p> <p>2,039,526</p> <p>-</p> <p>22,415,965</p>	<p><b>Interest rate :</b></p> <p>Interest rate within AirAsia Group is applied, equivalent to AAB's financial cost at 6% per annum in 2017 and 2018.</p> <p><b>Payment term :</b> within 30 days</p> <p><b>Transaction in the future :</b></p> <p>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.</p>



#### 4. AIRCRAFT AND AIRCRAFT ENGINE RENTAL

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia (Mauritius) Ltd. (AAM)	AAM is a subsidiary of AAGB in which AAGB holds indirect 100% equity interest.	TAA leases its aircraft and aircraft engine (operating lease) from AAM of 17 aircraft and 30 aircraft (as of December 31, 2018 and 2017) and 2 aircraft engines (as of 31 December 31, 2017).			TAA has leased its aircraft and aircraft engine from AAM for business operation. AirAsia Group has a pooling purchase for higher bargaining power with manufacture.
		<b>Aircraft and aircraft engine rental</b>	3,314,226,271	4,343,894,681	<b>Lease rate :</b> 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 (receivable) - AAM	377,679,384	(29,168,314)	<b>Payment term :</b> within 30 days <b>Transaction in the future :</b> 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 AirAsia Group.
		Other non-current asset - Aircraft and aircraft engine rental deposit	364,818,240	657,120,066	

#### 5. AIRCRAFT MAINTENANCE

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia (Mauritius) Ltd. (AAM)	AAM is a subsidiary of AAGB in which AAGB holds indirect 100% equity interest.	TAA pays aircraft repair and maintenance cost to AAM, the lessor, 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) AirAsia Berhad (AAB)	AAGB is major shareholder in AAB and AAGB is also the indirect major shareholder in TAA through AirAsia Investment Limited which holds 45% equity interest in TAA.	<b>Aircraft maintenance - AAM</b>	1,349,813,746	1,777,115,719	<b>Maintenance rate :</b> Maintenance rate is quoted per flight hour / cycle in US Dollar term for a monthly payment and comparable to industry average rate
		Aircraft maintenance payable - AAM	152,055,020	140,920,180	
		Aircraft maintenance claim receivable - AAM	-	120,734,038	<b>Payment term :</b> within 30 days
		<b>Aircraft maintenance - AAB</b>	808,378,984	334,841,288	<b>Transaction in the future :</b> 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	233,816,940	24,753,799	
		Aircraft maintenance reserves	4,532,740,844	3,652,264,201	

## 6. BOOKING FEE

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia Berhad (AAB)	AAGB is major shareholder in AAB and AAGB is also the indirect major shareholder in TAA through AirAsia Investment Limited which holds 45% equity interest in TAA.	TAA pays online air ticket booking system fee (booking fee) to AAB.  <b>Booking fee</b>  Booking fee payable - AAB	162,700,023  12,034,810	177,717,742  15,577,589	<p>TAA shares the same booking system with others in AirAsia Group. AAB has entered into a contract, on behalf of the group, 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.</p> <p><b>Booking fee rate :</b> 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.</p> <p><b>Payment term :</b> within 30 days</p> <p><b>Transaction in the future :</b> Booking fee 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.</p>

## 7. PURCHASE OF MERCHANDISE AND EQUIPMENT

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia Berhad (AAB)	AAGB is major shareholder in AAB and AAGB is also the indirect major shareholder in TAA through AirAsia Investment Limited which holds 45% equity interest in TAA.	TAA purchases merchandise and equipment from AAB such as aircraft spare parts and certain inflight merchandise for selling on board.  <b>Purchase of merchandise and equipment</b>  Purchase payable - AAB	60,628,026  16,184,661	24,813,993  2,375,670	<p>TAA purchases merchandise and equipment from AAB such as aircraft spare parts and certain inflight merchandise for selling on board. Having centralised the product sourcing, AAB will accumulate all demand from AirAsia Group before making a pooling purchase for higher bargaining power with suppliers.</p> <p><b>Pricing :</b> Comparable pricing with the one AAB made with outsiders</p> <p><b>Payment term :</b> within 30 days</p> <p><b>Transaction in the future :</b> 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.</p>

## 8. ADMINISTRATIVE FEE

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia Berhad (AAB)	AAGB is major shareholder in AAB and AAGB is also the indirect major shareholder in TAA through AirAsia Investment Limited which holds 45% equity interest in TAA.	TAA pays administrative fee to AAB.  <b>Administrative fee</b> Administrative fee payable - AAB	15,500,406 1,291,392	14,955,656 1,300,584	TAA pays administrative fee to AAB in return of its assistance on business operations in term of airline technical expertise including administration, crew sourcing, consulting and other assistance in regards to airline business.  <b>Pricing :</b> Fix rate of USD 40,000 per month as agreed in the administrative agreement.  <b>Payment term :</b> within 30 days  <b>Transaction in the future :</b> 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.

## 9. (GAIN) LOSS FROM FUEL SWAP AGREEMENT ALLOCATION

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia Berhad (AAB)	AAGB is major shareholder in AAB and AAGB is also the indirect major shareholder in TAA through AirAsia Investment Limited which holds 45% equity interest in TAA.	TAA has the share of (gain) loss from fuel price swap agreements done through AAB as specified in the fuel swap agreement.  <b>Share of (gain) loss from fuel price swap agreements - AAB</b> Payable (Receivable) on share of (gain) loss from fuel price swap agreements - AAB  Other non-current assets - deposits on fuel price swap	(254,765,405) 22,848,087 16,142,400	(628,711,602) (137,831,766) 16,257,300	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.  <b>(Gain) loss allocation :</b> (Gain) loss from fuel price swap agreement will be allocated on a monthly basis by the estimated amount of fuel used by each company.  <b>Payment term :</b> within 30 days  <b>Transaction in the future :</b> (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.

## 10. PILOT TRAINING COST

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) Asian Aviation Centre of Excellence Sdn. Bhd. (AACOE)	AACOE is a joint venture of AAB in which AAB hold 50% equity interest.	TAA pays pilot training cost to AACOE and BAC  <b>Pilot training cost - AACOE</b>	-	82,828,284	TAA receives service of pilot training and facilities from AACOE, which is the Malaysian, based joint venture between AAB and CAE, a reputable pilot training center in Canada. Beside, TAA and BAC mutually signed an MOU for cooperation in commercial pilot training.
(2) Bangkok Aviation Center Co., Ltd. (BAC)	BAC is the Company which Mr. Tassapon Bijleveld who is director and Executive Chairman of TAA hold 50% of BAC's shares.	Pilot training cost payable - AACOE  <b>Pilot training cost - BAC</b> Pilot training cost payable - BAC	3,838,162 58,162	26,528,738 6,048,000 470,963	<b>Pricing :</b> At agreement price of different types of the training  <b>Payment term :</b> within 30 days  <b>Transaction in the future :</b> Pilot training cost 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.

## 11. BRAND LICENSE FEE TO AIRASIA BERHAD

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia Berhad (AAB)	AAGB is major shareholder in AAB and AAGB is also the indirect major shareholder in TAA through AirAsia Investment Limited which holds 45% equity interest in TAA.	TAA paid Brand license fee to AirAsia Berhad.  <b>Brand license - Expense</b> Payable on brand license fee - AAB	594,567,535 146,173,206	548,113,485 151,804,009	From January 2013, TAA will pay AAB for using the brand "AirAsia".  <b>Pricing :</b> At one 1.5% of total revenue The rate is comparable to the rate that AAB charge to other joint venture within AirAsia Group.  <b>Payment term :</b> within 30 days  <b>Transaction in the future :</b> Brand license fee 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.

## 12. REVENUE FROM ADMINISTRATIVE FEE FROM INSURANCE PREMIUM

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) Tune Insurance Malaysia Berhad (TIMB)	Tune Protect Group Berhad has director who is also director in TAA; Datuk Kamarudin Bin Meranun. TIMB is a subsidiary of Tune Protect Group Berhad in which Tune Protect Group Berhad holds direct 83.3% equity interest.	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.
		<b>12.1 Revenue from administrative from insurance premium - TIMB</b> Insurance Premium Administrative fee Payable (Receivable) on license fee - TIMB	13,813,376 3,453,344 (72,923)	11,602,010 2,900,503 2,457,375	<b>Pricing :</b> 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.  <b>Payment term :</b> within 30 days  <b>Transaction in the future :</b> 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.
(2) Great Fortune Broker Co., Ltd.	GFB is broker for Tune Insurance PLC which was hold direct 49% equity interest from Tune Protect Group Berhad. Tune Protect Group Berhad has director who is also director in TAA; Datuk Kamarudin Bin Meranun.	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.
		<b>12.2 Revenue from administrative from insurance premium - GFB</b> Insurance Premium Administrative fee Payable on license fee - GFB Receivable on Administrative fee - GFB	220,681,094 36,692,069 319,069 3,601,972	212,215,489 35,402,020 - -	

## 13. MANAGEMENT FEE

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) Asia Aviation Plc. (AAV)	AAV is majority shareholder of TAA which holds 55% equity interest in TAA	TAA pays management fee to AAV.			TAA pays management fee to AAV for consultant and management policy which are related to operating company.
		<b>Management fee</b> Payable on management fee - AAV	31,250,000 -	25,000,000 -	<b>Pricing :</b> Management fee at 6,250,000 Baht per quarter and Actual cost as agreed in the administrative agreement  <b>Payment term :</b> within 30 days  <b>Transaction in the future :</b> 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.

## 14. ACCOUNTING, PEOPLE, ICT SERVICE FEE

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia Global Shared Services Sdn. Bhd.	AGSS is an indirect subsidiary of AAGB in which AAGB hold 100% equity interest.	AGSS provides service for people, accounting, and ICT services for AirAsia Group.  AAB provides ICT services for AirAsia Group			AGSS provides service for people, accounting, and ICT services which AAB provide ICT services since June 2016 for AirAsia Group. AGSS and AAB will calculate services fee by staff headcount.  <b>Pricing :</b> Invoices will be issued to AirAsia Group by calculating from staff headcount as agreed in the administrative agreement plus margin as specified in the service agreement.
(2) AirAsia Berhad (AAB)	AAGB is major shareholder in AAB and AAGB is also the indirect major shareholder in TAA through AirAsia Investment Limited which holds 45% equity interest in TAA.	<b>14.1 Accounting, People, ICT service fee - AGSS</b>  Payable on Accounting, People, ICT service fee - AGSS	39,615,010	34,399,796	<b>Payment term :</b> within 30 days  <b>Transaction in the future :</b> 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.
		<b>14.2 ICT service fee - AAB</b>  ICT service fee- AAB	9,614,896	8,463,723	
			30,986,626	38,205,935	
			2,156,651	2,104,375	

## 15. LOYALTY PROGRAM SERVICE FEE

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) Big Loyalty Sdn. Bhd. (TBD)	TBD is an indirect subsidiary of AAGB in which AAGB holds 80% equity interest.	TBD arranges Big Loyalty program for return benefit to customer in AirAsia Group, by issuing big point. Customer can redeem point for flight ticket and other service in AirAsia Group.			TBD arranges Big Loyalty program for return benefit to customer in Airasia group, by issuing big point .Customer can redeem point for flight ticket and other service in Airasia group.
		<b>Loyalty program service fee</b>	51,127,335	55,609,886	<b>Pricing :</b> Loyalty program service fee as agreed in the administrative agreement
		Payable on Loyalty program service fee - TBD	57,730,848	47,246,533	<b>Payment term :</b> within 30 days
		<b>Passenger Revenue</b>	83,889,649	19,975,376	<b>Transaction in the future :</b> 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	86,047,932	13,466,921	

## 16. COMMISSION FROM SALES OF DUTY FREE GOODS

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) King Power Marketing and Management Company Limited (KPM)	Srivaddhanaprabha family is management of the King Power Group and major shareholder of AAV which is majority shareholder of TAA which holds 55% equity interest in TAA.	TAA receives commission fee on monthly basis from selling of duty free goods on international flights of the TAA.			TAA entitles the KPM to manage the sale of duty free goods on international flights of the TAA undertaken by crews of the TAA which providing service to passengers in any flights of the TAA. The KPM shall pay commission fee to the TAA on monthly basis
		<b>Commission from sales of duty free goods</b>	-	16,353,146	<b>Pricing :</b> Commission from sales of duty free goods as agreed in the administrative agreement
		Receivable on commission - KPM	-	-	<b>Payment term :</b> within 30 days
					<b>Transaction in the future :</b> Commission from sales of duty free goods will be an ongoing transaction as it is a supporting normal course of business with general commercial term but no longer related party transaction since December 27, 2017 onwards due to Srivaddhanaprabha family, the major shareholders and management of King Power Group, sold their shares of 1,761,588,286 of shares back to the former shareholder, Mr. Tassapon Bijleveld who is the Group's management. The shareholder structure change caused the transactions between King Power Group and the Group are no longer related party transaction.

## 17. SPONSORSHIP FEE PAID TO LEICESTER CITY FOOTBALL CLUB

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) King Power International Company Limited (KPI)	Srivaddhanaprabha family is management of the King Power Group and major shareholder of AAV which is majority shareholder of TAA which holds 55% equity interest in TAA.	TAA provides the sponsorship to Leicester City International Academy.  <b>Sponsorship fee paid to Leicester City Football Club</b>  Sponsorship fee payable	-	39,858,330	<p>TAA provides the sponsorship to Leicester City Football Club and Leicester City International Academy for seeking Thailand's youth football player to join the skill developing program at Leicester City football club at England.</p> <p><b>Pricing :</b> Sponsor fee as agreed in the administrative agreement</p> <p><b>Payment term :</b> within 30 days</p> <p><b>Transaction in the future :</b> Sponsorship fee paid to Leicester City Football Club is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee but no longer related party transaction since December 27, 2017 onwards due to Srivaddhanaprabha family, the major shareholders and management of King Power Group, sold their shares of 1,761,588,286 of shares back to the former shareholder, Mr. Tassapon Bijleveld who is the Group's management. The shareholder structure change caused the transactions between King Power Group and the Group are no longer related party transaction.</p>

## 18. PURCHASE OF MERCHANDISE

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) Tune Talk (Thailand) Limited	Tune Group Sdn. Bhd. has director who is also director in TAA; Datuk Kamarudin Bin Meranun. 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.	TAA purchases merchandise such as sim card for selling on board.  <b>Purchase of merchandise</b>  Purchase payable - Tune Talk	4,708,000	6,355,800	<p>TAA purchases merchandise such as sim card for selling on board from Tune Talk (Thailand) Limited.</p> <p><b>Pricing :</b> Purchases merchandise price as agreed in the administrative agreement</p> <p><b>Payment term :</b> within 30 days</p> <p><b>Transaction in the future :</b> Purchase of merchandise from this company will be an ongoing transaction as it is a supporting normal course of business with general commercial term.</p>



## 19. PASSENGER SERVICE REVENUES

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
King Power Group which is ticket reservation member with TAA as below	Srivaddhanaprabha family is management of the King Power Group and major shareholder of	TAA provides corporate member to King Power Group for purchase ticket.			TAA provides corporate member to King Power Group for purchase ticket.
(1) King Power International Co., Ltd.	AAV which is majority shareholder of TAA which holds 55% equity interest in TAA.	<b>Passenger Service Revenues</b> Receivable - King Power Group	-	13,008,949	<b>Pricing :</b> Passenger Service fee as agreed in the administrative agreement
(2) King Power Duty Free Co., Ltd.			-	-	<b>Payment term :</b> within 30 days
(3) King Power Tax Free Co., Ltd.					<b>Transaction in the future :</b> Passenger Service Revenues will be an ongoing transaction as it is a supporting normal course of business with general commercial term but no longer related party transaction since December 27, 2017 onwards due to Srivaddhanaprabha family, the major shareholders and management of King Power Group, sold their shares of 1,761,588,286 of shares back to the former shareholder, Mr. Tassapon Bijleveld who is the Group's management. The shareholder structure change caused the transactions between King Power Group and the Group are no longer related party transaction.
(4) King Power Suvarnabhumi Co., Ltd.					
(5) King Power Development Co., Ltd.					

## 20. SPONSORSHIP FEE PAID TO KING POWER FOUNDATION

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) King Power Foundation	Srivaddhanaprabha family is management of the King Power Group and major shareholder of AAV which is majority shareholder of TAA which holds 55% equity interest in TAA	TAA pays sponsorship fee for "Pa-Nong-Grab-Por" project.			TAA provides the sponsorship to King Power Foundation for "Pa-Nong-Grab-Por" project.
		<b>Sponsorship fee paid to King Power Foundation</b> Payable - King Power Foundation	-	5,000,000	<b>Pricing :</b> Sponsor fee as agreed in the administrative agreement
			-	-	<b>Payment term :</b> within 30 days
					<b>Transaction in the future :</b> This transaction is a supporting normal course of business with general commercial term but no longer related party transaction since December 27, 2017 onwards due to Srivaddhanaprabha family, the major shareholders and management of King Power Group, sold their shares of 1,761,588,286 of shares back to the former shareholder, Mr. Tassapon Bijleveld who is the Group's management. The shareholder structure change caused the transactions between King Power Group and the Group are no longer related party transaction.

## 21. SPONSORSHIP FEE PAID TO THAILAND POLO ASSOCIATION

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) Thailand Polo Association	Mr. Vichai Srivaddhanaprabha who is management of the King Power Group and major shareholder of AAV which is majority shareholder of TAA which holds 55% equity interest in TAA is the founder of Thailand Polo Associate.	TAA pays sponsorship fee to Thailand Polo Association.  <b>Sponsorship fee paid to Thailand Polo Association</b> Payable - Thailand Polo Association	-	2,500,000	TAA pays sponsorship fee to Thailand Polo Association.  <b>Pricing :</b> Sponsor fee as agreed in the administrative agreement  - <b>Payment term :</b> within 30 days  <b>Transaction in the future:</b> This transaction is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee but no longer related party transaction since December 27, 2017 onwards due to Srivaddhanaprabha family, the major shareholders and management of King Power Group, sold their shares of 1,761,588,286 of shares back to the former shareholder, Mr. Tassapon Bijleveld who is the Group's management. The shareholder structure change caused the transactions between King Power Group and the Group are no longer related party transaction.

## 22. ADVERTISING REVENUE

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) King Power International Company Limited (KPI)	Srivaddhanaprabha family is management of the King Power Group and major shareholder of AAV which is majority shareholder of TAA which holds 55% equity interest in TAA.	TAA provides advertising service to King Power Group.  <b>Advertising Revenues</b> Receivable - King Power Group	-	55,968,526	TAA provides advertising service to King Power Group.  <b>Pricing :</b> Advertising fee as agreed in the administrative agreement  <b>Payment term :</b> within 30 days  <b>Transaction in the future :</b> Passenger Service Revenues 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 but no longer related party transaction since December 27, 2017 onwards due to Srivaddhanaprabha family, the major shareholders and management of King Power Group, sold their shares of 1,761,588,286 of shares back to the former shareholder, Mr. Tassapon Bijleveld who is the Group's management. The shareholder structure change caused the transactions between King Power Group and the Group are no longer related party transaction.

### 23. SECURITY SERVICE

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia (India) Limited (AAI)	AAI is an associate of AAGB in which AAGB holds indirect 49% equity interest and operates low cost airlines business in India.	TAA pays security service for FD flight in Cochin (COK), Kempegowda (BLR), Kolkata (CCU), Jaipur (JAI), Chennai (MAA), Bhubaneswar (BBI) and Visakhapatnam (VTZ) to AAI.			TAA enters into Security service agreement with Airasia (India) Limited due to state requirement on separated security service to handle flight which AAI will provide security service for FD flight at Cochin (COK), Kempegowda (BLR), Kolkata (CCU), Jaipur (JAI), Chennai (MAA), Bhubaneswar (BBI) and Visakhapatnam (VTZ) station.
		<b>Security Service-AAI</b>	12,193,730	11,239,307	<b>Pricing :</b> Security service fee as agreed in the administrative agreement
		Payable on security service - AAI	12,546,546	675,511	<b>Payment term :</b> within 30 days
					<b>Transaction in the future :</b> Security 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.

### 24. EXPENSES FOR ROOM SERVICES AND MEETING ROOM SERVICES

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) Wealth Ventures Co., Ltd. ("Wealth Ventures")	Wealth Ventures Co., Ltd. is the Company which major shareholder (66.44% of Wealth Ventures' shares) is Mr. Tassapon Bijleveld who is director and Executive Chairman of TAA.	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.
		<b>Expenses for room services and meeting room services</b>	1,056,105	435,852	<b>Pricing :</b> Room service fee as agreed in the administrative agreement
		Payable - Wealth ventures	76,576	-	<b>Payment term :</b> within 30 days
					<b>Transaction in the future:</b> 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.

## 25. DIVIDEND PAID

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) Asia Aviation Plc. (AAV)	AAV is majority shareholder of TAA which holds 55% equity interest in TAA	Dividend pays to shareholders.  <b>25.1 Dividend Paid - AAV</b> Payable - Dividend Paid - AAV	1,638,559,825	730,644,367	<p>According to the Company's Financial statements as of 30 Jun 2018, the Company reported Unappropriated retained earnings of THB 7,039,007,375. It appears that the profits of the Company justify the interim dividend payment. Board of Directors' meeting approved the interim dividend payment at THB 27.40 per share to 43,555,560 ordinary shares which is AAV shares equal to 23,955,553, equal to approximately THB 656,382,152.20 and AirAsia Investment Limited shares equal to 19,600,000, equal to approximately THB 537,040,000. The dividend payment date is on 12 September 2018.</p> <p>According to the Company's Financial statements as of 31 Mar 2018, the Company reported Unappropriated retained earnings of THB 9,348,748,733. It appears that the profits of the Company justify the interim dividend payment. Board of Directors' meeting approved the interim dividend payment at THB 41.00 per share to 43,555,560 ordinary shares which is AAV shares equal to 23,955,553, equal to approximately THB 982,177,673 and AirAsia Investment Limited shares equal to 19,600,000, equal to approximately THB 803,600,000. The dividend payment date is on 14 May 2018.</p> <p>The total amount will be derived from tax exemption profit portion according to Board of Investment privilege.</p>
(2) AirAsia Investment Limited	AirAsia Investment Limited is majority shareholder of TAA which holds 45% equity interest in TAA	<b>25.2 Dividend Paid - AirAsia Investment Limited</b> Payable - Dividend Paid - AirAsia Investment Limited	1,340,640,000	597,800,000	

## 26. MARKETING FUND EXPENSES

Person who may have conflicts of interest	Relationship	Nature of the transaction	Transaction value (Baht)		Rationales
			2018	2017	
(1) AirAsia (Guangzhou) Aviation Service Limited (AGZ)	AGZ have the same major shareholder which is AirAsia Investment Limited and AirAsia Investment Limited hold 100% equity in AGZ and hold 45% equity interest in TAA.	AGZ provides marketing service for China market to TAA.  <b>Expense for Marketing fund</b> Payable on marketing fund - AGZ	146,406,573 69,447,640		<p>AGZ provides marketing service for China market to TAA.</p> <p><b>Pricing :</b> Marketing fund fee as agreed in the administrative agreement which will be billed on quarterly basis in advance.</p> <p><b>Payment term :</b> within 30 days</p> <p><b>Transaction in the future :</b> Expenses for Marketing fund 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.</p>

## **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.

# AUDIT COMMITTEE REPORT

## DEAR SHAREHOLDERS OF ASIA AVIATION PUBLIC COMPANY LIMITED,

The Audit Committee comprises of three qualified independent directors, namely Mr. Vichate Tantiwanich as Chairman of the Audit Committee, Mr. Nuttawut Phowborom and Mr. Veerayooth Bodharamik as member of Audit Committee. Head of the Internal Audit Department also acts as the Committee Secretary.

All directors on the Audit Committee are fully qualified as required by the Stock Exchange of Thailand and have 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 Notice of the Stock Exchange of Thailand.

For the accounting period ending December 31, 2018, the Audit Committee called 4 meetings and 3 meetings attended by all members of the Audit Committee. After that, the Audit Committee reported results from the Audit Committee Meeting to the Board of Directors Meeting.

For the accounting period ending December 31, 2018 the Audit Committee completely perform their duty as specified in the committee charter. The details can be summarised as follows:

1. Reviewed the quarterly and annual financial statements for 2018 with the Company's Executives and the auditors with constructive comments and recommendations to ensure that the financial information is accurate, complete, reliable and in compliance with the generally accepted practices, and also being appropriately and sufficiently disclosed.
2. Reviewed the efficiency and effectiveness of the internal control system, the risk management, and the internal audit system, together with the Internal Audit Department, the Company's Executives, and auditors.
3. Reviewed the Audit Committee Charter and the Internal Audit Charter in order to ensure the past practice has been done completely according to their responsibilities and assignment and also to make the said charters up-to-date and appropriate to the corporate environment.
4. Reviewed the results of the internal audit for each quarter in 2018 and ensured the modification and improvement as recommended in the audit reports for effective and efficient operation.
5. Approved the plan, budget and headcount of internal audit for year 2018 and considered the result of internal audit report which Internal Audit Department reported directly to Audit Committee including evaluated the performance of the Head of Internal Audit Department.

6. Reviewed and commented on connected transactions or transactions which might give rise to conflict of interest and the disclosure of the said information as regulated by the Stock Exchange of Thailand and the Securities and Exchange Commission.
7. Considered the appointment and remuneration of auditors by taking the business expertise and experiences, the appropriateness of the fees and the independence of the auditors into consideration. Consequently, for the fiscal year ending on December 31, 2018, the Audit Committee selected and proposed Mr. Termphong Opanaphan C.P.A. Registration No. 4501, Miss Manee Rattanabunnakit C.P.A. Registration No. 5313 and Miss Kosum Cha-em C.P.A. Registration No. 6011 as the Company's and its subsidiary external auditors. Over the past accounting period, the external auditors performed their work with good knowledge, professional capabilities and provided recommendations on internal control system as well as risk exposures. They are independent in doing their jobs with the appropriate remuneration rates.
8. Reviewed the Company's compliance with the regulations and legal framework of the Stock Exchange of Thailand and the Securities and Exchange Commission and other applicable laws, and the principles of good corporate governance, in cooperation with the Company's Executives and the Internal Audit Department.

From the above-mentioned operations, the Audit Committee believe that in 2018 the Company prepared its financial statements accurately in compliance with the generally accepted accounting standards with information accurately, sufficiently and reliably disclosed; appropriate and efficient internal audit and risk management. The Company complied with the relevant laws and regulations with the transparent supervision on related transactions without causing any conflicts of interest and having optimal benefits to the Company and its shareholders. The Company's operations were sufficiently, transparently and reliably in compliance with the principle of good corporate governance.



(Mr. Vichate Tantiwanich)  
Chairman of the Audit Committee

# 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 subsidiary 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 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 consolidated financial statements for the year ended December 31, 2018. 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

# MANAGEMENT DISCUSSIONS AND ANALYSIS

## EXECUTIVE SUMMARY

In January 2019, the International Monetary Fund (IMF) projected the world economic growth in 2018 to be at 3.7%, supported by the continuous recovery of the labour markets, the consistent global trade market growth and less tightened monetary policies led by the US economy exceeding the expectations, while the Eurozone economy, Japan and China are expanding at slowed growth resulting in a fragmented expansion across regions. In addition, the increased intensity of the US and China trade war and the monetary policy of the Fed could impose effects on fund transfers of the Emerging Markets. Therefore, the aforementioned global volatilities impact on Thailand's economic growth and therefore may affect the company's operation.

The Office of the National Economic and Social Development Board (NESDB) revealed Thailand's economic growth for the year 2018 at 4.1%, increased from last year at 4.0%, resulting from the accelerated growth from both the private sector's consumption and investment in addition to the gradual increase for the exports of goods and services despite the slowed public expenditure.

The number of international tourists to Thailand revealed a total of 38.3 million inbound visitors in 2018, which accounts for an 8% increase from last year, led by Chinese, ASEAN region and European tourists. Among all regions, ASEAN tourists imposed the highest growth at 18% compared to the previous year with the fourth quarter of 2018 (Q4/2018) revealed at 9.7 million, or the growth of 4% compared to the same period last year due to the contraction of Chinese tourists. However, the government scheme to stimulate international inbound travels by waiving VOA (Visa on Arrival) fee has resulted in the gradual recovery of Chinese tourists during post-implementation in November. Therefore, the number of passengers carried by Thai AirAsia for the year 2019 was at 21.6 million, increased by 9% over the same period last year, while the Available Seats Kilometres (ASK) grew at 12%. In 2018, Thai AirAsia launched new domestic and international routes including routes departing from Bangkok (Don Mueang) to Ranong, Johor Baru (Malaysia), Chengdu (China), Chumphon, Kota Kinabalu (Malaysia), Bhubaneswar (India), Visakhapatnam (India), Gaya (India) and Colombo (Sri Lanka), from Phuket to Macao and Kunming (China), from Chiang Mai to Udon Thani, Yangon (Myanmar), Taipei (Taiwan),

Hanoi (Vietnam), Nanchang (China) and Beijing (China), from Krabi to Macao, Hong Kong and Chongqing (China), and from Pattaya (U-tapao) to Khon Kaen and Chengdu (China). Thai AirAsia also increased frequencies in dominant destinations for both domestic and international routes. In addition, Thai AirAsia has converted the routes from Bangkok (Don Mueang) to Hangzhou, Ningbo and Nanjing from charter to scheduled charter flight. However, as a result of capacity management, Thai AirAsia has cancelled routes from Pattaya (U-tapao) to Hangzhou (China) and Ubon Ratchathani, from Bangkok (Don Mueang) to Tiruchirappalli (India) and from Chiang Mai to Ubon Ratchathani and Udon Thani during the year.

For the full financial year ended 2018 (FY2018), Asia Aviation Plc had total revenue of Baht 40,200.2 million, increased by Baht 2,917.9 million or 8% from the same period last year and a net income of Baht 127.4 million, declined from last year at Baht 2,684.8 million. This mainly resulted from the rise in global fuel costs and the deceleration of Chinese visitors in the second half of FY2018.

## FINANCIAL PERFORMANCE SUMMARY

Asia Aviation Public Company Limited ("AAV") is a major shareholder of Thai AirAsia Company Limited who is an airline operator of Thai AirAsia, in which the Company currently holds 55%.

### **Asia Aviation Public Company Limited's financial performance for the year ended 31 December 2017 and 2018 has been summarised below:**

#### **Statement of Comprehensive Income**

For the year ended 2018, Asia Aviation Plc had total revenues of Baht 40,200.2 million, increased by Baht 2,917.9 million or 8% compared to the same period last year and reported a net profit before finance costs and income taxes amounted to Baht 660.1 million, decreased by 80% compared to the same period last year. Profit for the year attributable to equity holders of the Company for FY2018 amounted to Baht 70.0 million, 95% or Baht 1,470.5 million lower than the previous year, having a net profit margin of 0.2% and basic earnings at Baht 0.0144 per share. Thus, Total comprehensive



income for the year attributable to equity holders of the Company amounted to Baht 74.2 million, which is from the reassessments of employee benefit obligations resulting in the Actuarial gain in an amount of Baht 9.6 million and the income tax on items that will not be reclassified added to the Other comprehensive income in an amount of Baht 1.9 million.

## Statement of Financial Position

### Assets

As at 31 December 2018, total assets amounted to Baht 61,746.7 million, decreased by Baht 1,026.9 million or 2% compared to the year ended 31 December 2017 and the return on assets (ROA) was 0.1%, due to;

- (1) Current assets decreased by Baht 2,683.5 million, mainly from the decrease in cash and cash equivalents at the amount of Baht 1,215.3 million, primarily from interim dividends for 2018. Additionally, the current investments decreased by Baht 1,489.0 million due to the maturity of fixed deposits.
- (2) Non-current assets increased by Baht 1,656.6 million due to an increase in aircraft, leasehold improvement and equipment in an amount of Baht 712.4 million, mainly due to the acquisition of land for the construction of the academy project building. Meanwhile, aircraft maintenance reserves rose Baht 880.5 million in relation to the increase in flight hours.

### Liabilities

As at 31 December 2018, total liabilities amounted to Baht 33,123.9 million, increased by Baht 1,803.5 million or 6% compared to the year ended 31 December 2017, due to;

- (1) Current liabilities increased by Baht 112.0 million, mainly from an increase in the unearned income at the amount of Baht 165.9 million due to the peak travelling season.
- (2) Non-current liabilities increased by Baht 1,691.4 million, mainly from the issuance of the debentures in an amount of Baht 2,500.0 million and the proceeds will be used for general investment purpose and/or for working capital.

### Equity

As at 31 December 2018, total shareholders' equity amounted to Baht 28,622.8 million, decreased by Baht 2,830.3 million or 9% compared to the year ended 31 December 2017 due to the interim dividends for 2018 approved by the Board of Directors on 11 May 2018 and 12 September 2018 at Baht 0.20 per share and Baht 0.135 per share equivalent to the amount of Baht 970.0 million and Baht 654.7 million, respectively. Hence, equity attributable to owners of the Company and non-controlling interests of the subsidiary as at

31 December 2018 amounted to Baht 20,455.4 million and Baht 8,167.4 million, respectively, with the return on equity (ROE) of 0.3%.

## Statement of Cash Flows

For the year ended 31 December 2018, Asia Aviation Plc had net cash generated from operating activities in an amount of Baht 2,869.3 million mainly due to operational results for the year, an increase in depreciation and amortisation expenses as well as finance cost. In contrast, net cash used in investing activities was Baht 1,733.3 million, mainly from an increase in aircraft acquisition and aircraft maintenance reserves in relation to the increase in flight hours. At the same time, net cash used in financing activities was Baht 2,288.3 million mainly due to dividend payment and payment for the current portion of long-term borrowings from financial institutions to close two long-term loan agreements even though there was proceeding from the issuance of the debentures in an amount of Baht 2,500.0 million for general investment purpose and/or for working capital. As a result, Asia Aviation Plc had the net decrease in cash and cash equivalents of Baht 1,152.3 million, while the cash and cash equivalents at the end of the year amounted to Baht 4,122.6 million.

## Thai AirAsia's financial performance for the year ended 31 December 2017 and 2018 has been summarised below :

### Statement of Comprehensive Income

For the year ended 2018, revenues from sales and services of Thai AirAsia's amounted to Baht 40,199.4 million, increased by 8% from Baht 37,280.1 million in 2017, primarily from the revenues from sales and services of Baht 38,904.8 million, an increase of 8% from the year ended 2017 (FY2017) at Baht 36,002.8 million due to the increase in the number of passengers carried at 21.6 million or 9% compared to the same period last year. The load factor was imposed at 85%, down by 2 percentage point (ppt) compared to the same period last year as a result of slowed growth in Chinese tourists together with the addition in seat capacity. Moreover, revenues from charter services were at Baht 1,064.7 million, a decrease of Baht 550.5 million compared to the same period last year which concluded the average fares for the year 2018 to drop by 2% at Baht 1,477 per passenger.

The ancillary revenues of Thai AirAsia for FY2018 grew by 13% to Baht 7,134.1 million from Baht 6,315.5 million in 2017, which is from the growth in the number of passengers as aforementioned. As a result, ancillary revenues per passenger was at Baht 331 per passenger or increased by 4% from the same period last year. In fact, the fee structure adjustment and value pack promotion enhanced increase in seat selection fees, other fees and revenues from in-flight meals and beverages compared the same period last year.

For the year ended 2018, total expenses of Thai AirAsia amounted to Baht 39,539.2 million, raised by 16% from Baht 33,972.5 million in FY2017. Predominantly, the cost of sales and services amounted to Baht 36,424.0 million or increased by 17% from Baht 31,023.5 million in FY2017, largely from fuel costs in an amount of 14,635.6 million which accounted for 37% of total expenses. The average reference jet fuel price in FY2018 was at USD 85.2 per barrel, which increased by 32% from at USD 64.3 per barrel in FY2017. At the same time, expenses related to repair and maintenance, staff costs, aircraft and aircraft engine rental, ramp and airport operating costs increased relative to fleet expansions. Besides, Thai AirAsia continuously monitors our punctuality, resulting in 86% on-time performance (OTP) in FY2018, an improvement from 83% in FY2017 with the increased efficiency achieved reflected by the utilisation rate of 12.0 hours per day from 11.9 hours per day in FY2017.

For the year ended 2018, Thai AirAsia recorded a net realised gain on the exchange rate in an amount of Baht 250.4 million from the US dollar depreciation compared to last year and had earnings before finance cost, income tax, depreciation and amortisation, rental (EBITDAR) margin of 19%. In addition, the company exercised the carry forward of unused tax loss to calculate income tax for the period, resulting in a decrease in income tax. As a result, Net profit for the year 2018 amounted to Baht 127.5 million, 95% lower than the previous year having with Total comprehensive income for the year amounted to Baht 135.2 million, which is from the reassessment of employee benefit obligations resulting in the Actuarial gain of Baht 9.6 million and the income tax on items that will not be reclassified added to the Other comprehensive income at Baht 1.9 million.

## Statement of Financial Position

### Assets

As at 31 December 2018, total assets amounted to Baht 37,917.9 million, decreased by Baht 984.4 million compared to the year ended 31 December 2017, due to;

- (1) Current assets decreased by Baht 2,641.1 million, mainly from the decrease in cash and cash equivalents in an amount of Baht 1,173.6 million, primarily from interim dividends for 2018. Additionally, the current investments decreased by Baht 1,489.0 million due to the maturity of fixed deposits.
- (2) Non-current assets increased by Baht 1,656.6 million due to an increase in aircraft, leasehold improvement and equipment in an amount of Baht 712.4 million, primarily due to the acquisition of land for the construction of the academy project building. Meanwhile, aircraft maintenance reserves rose Baht 880.5 million in relation to the increase in flight hours.

### Liabilities

As at 31 December 2018, total liabilities amounted to Baht 30,139.8 million, increased by Baht 1,859.5 million compared to the year ended 31 December 2017, primarily due to;

- (1) Current liabilities decreased by Baht 168.2 million mainly from an increase in the unearned income at the amount of Baht 165.9 million due to the peak travelling season.
- (2) Non-current liabilities increased by Baht 1,691.4 million, mainly from the issuance of the debentures in an amount of Baht 2,500.0 million and the proceeds will be used for general investment purpose and/or for working capital.

### Equity

As at 31 December 2018, total shareholders' equity amounted to Baht 7,778.1 million, decreased by Baht 2,844.0 million compared to the year ended 31 December 2017. 2017 due to the interim dividends for 2018 approved by the Board of Directors on 11 May 2018 and 12 September 2018 at Baht 41.0 per share and Baht 27.40 per share equivalent to the amount of Baht 1,785.8 million and Baht 1,193.4 million, respectively Thai AirAsia's Debt-to-Equity ratio (Interest Bearing Debt) and Net Gearing ratio as at 31 December 2018 were 3.36x and 2.16x, respectively.

### Statement of Cash Flows

For the year ended 31 December 2018, Thai AirAsia had net cash generated from operating activities in an amount of Baht 2,925.0 million mainly due to operational results for the year, an increase in depreciation and amortisation expenses as well as finance cost. In contrast, net cash used in investing activities was Baht 1,733.5 million, mainly from an increase in aircraft acquisition and aircraft maintenance reserves in relation to the increase in flight hours. At the same time, net cash used in financing activities was Baht 2,302.1 million mainly due to dividend payment and payment for the current portion of long-term borrowings from financial institutions to close two long-term loan agreements even though there was proceeding from the issuance of the debentures in an amount of Baht 2,500.0 million for general investment purpose and/or for working capital. As a result, Thai AirAsia had a net decrease in cash and cash equivalents of Baht 1,110.6 million, while the cash and cash equivalents at the end of the year amounted to Baht 4,037.0 million

## BUSINESS OUTLOOK

In January 2019, the International Monetary Fund (IMF) projected the world economic growth in 2019 to be at 3.5%, reduced compared to the last year's estimate due to the elevated risk of trade war, each nation's economic vulnerability and the continuing trend of tighter financial conditions. However, the geopolitical issues, tensions from trade war and the volatility of crude oil prices impose potential risks to tourism growth. In order to respond to the risks that may arise and affect the company's operation, the company analyses possible factors that may prevent the company in achieving its goals and mitigate its risks as follows;

- (1) Interest rate fluctuation:** the US economy is believed to expand continuously at slower growth while the Federal Reserve (Fed) is believed to gradually implement interest rate hikes during the year. The effect of the increased rate would likely affect the borrowing costs of the company as the company would finance for new aircraft and business expansions. Thus, the company has set a measure to alleviate interest rate risk by fixing interest rate during the negotiation for financial lease contracts and by considering using financial instruments at an appropriate time. As of December 31, 2018, Thai AirAsia has a ratio of long-term debts after a swap between floating interest rates and fixed rates approximately at 9 to 91.
- (2) Currency fluctuation:** the company has revenues and expenses in various different currencies. Therefore, the company has adopted the practice of Natural Hedging to reduce the exposure of foreign exchange rates fluctuation by matching cash expenses and revenues in the same currency as practically possible. Moreover, the structure of the foreign currency loans is made in accordance with the highest currency net operating cash flow. The company also used financial instruments for currency risk management when deemed applicable.
- (3) Fuel costs fluctuation:** the company forecasts the jet fuel prices in 2019 to stand within the average range of USD 75-80 per barrel, levelled down from 2018 due to the risk of intensification in the trade war between China and the US, affecting the global economic growth and future decline in demand for oil consumption. This would lead to the pressure in global oil price despite the agreement upon reduced oil productions by the Organization of the Petroleum Exporting (OPEC) and Non-OPEC members. In an attempt to ensure against the constant fluctuation in fuel costs, the company has the fuel hedging policy as a tool to mitigate its exposure to volatility at 52% of the total fuel consumption for the year 2019 at an average cost of USD 79 per barrel as of February 18, 2019.

The Office of the National Economic and Social Development Board (NESDB) forecasts Thailand economic growth for 2019 at 4.0%, marginally lower from last year at 4.1%, supported by the improvement of the global economy, public and private investment and the improvement of employment rate including the standard wage rate for employment in the system. Export and tourism are expected to be well-performed. Despite the growth, the US trade restrictions and the policies imposed by the trading countries could lead to volatility of the world as well as Thailand's economic growth.

According to the Tourism and Sports Ministry, revenue from tourism in 2019 is expected to reach at Baht 3.3 trillion, an increase of 10 % from 2018, of which Baht 2.2 trillion will stem from international tourists and Baht 1.1 trillion from domestic tourists at the growth of 10% and 5% from the previous year respectively. The number of international arrivals in 2019 is forecasted to rise over 41.1 million, comparing to 38.3 million in the previous year, while the number of Thai tourists in the domestic market is expected to be at 166 million/visit, or up by 3% over the same period last year. The government aims to encourage dispersion of income to provinces by continuously promoting local tourism to secondary provinces in connection with primary provinces which includes low-season travels. In addition, the government has stimulated international inbound travels through waiving VOA (Visa on Arrival) fee together with elevating safety measures. In 2019, there would be several infrastructure development projects such as the improvement of airports and expansions of passenger terminals to support long-term tourist growth.

In 2019, Thai AirAsia aims to reach a target of 23.15 million passengers, with a strong load factor at 86% and plans to acquire 4 more aircraft during the year to bring its fleet to 66 aircraft. Furthermore, Thai AirAsia is planning to add more routes to the Indian and the Indochina markets while maintaining its position in the Chinese market. Therefore, this diversified strategy tend to minimise the risk of dependence on any major customer base and to enhance its sustainable revenue growth in the future.

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1 ม.ค 62 - 31 ธ.ค 62

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\*รับคะแนน BIG Points สูงสุดถึง 10 เท่าจากการใช้บัตรเครดิตแอร์เอเชีย แพลทินัม ธนาคารกรุงเทพพร้อมบัตรโดยสารแอร์เอเชียประเภท Premium Flex หรือ Premium Flatbed ที่ [www.airasia.com](http://www.airasia.com) ตามจำนวนจำนวนเที่ยวโดยสาร หรือ AirAsia Call Center โดยแบ่งเป็นคะแนนสะสมที่ได้รับจากบัตรเครดิตฯ 3 เท่า และคะแนนสะสมเพิ่มขึ้นที่ได้รับจากการเป็นสมาชิกระดับ Platinum ของ AirAsia BIG Loyalty 7 เท่า/เดือนขึ้นไปตามเงื่อนไข และบริษัทฯ ขอสงวนสิทธิ์เพิ่มเติมที่ [www.bangkokbank.com/creditcard](http://www.bangkokbank.com/creditcard)



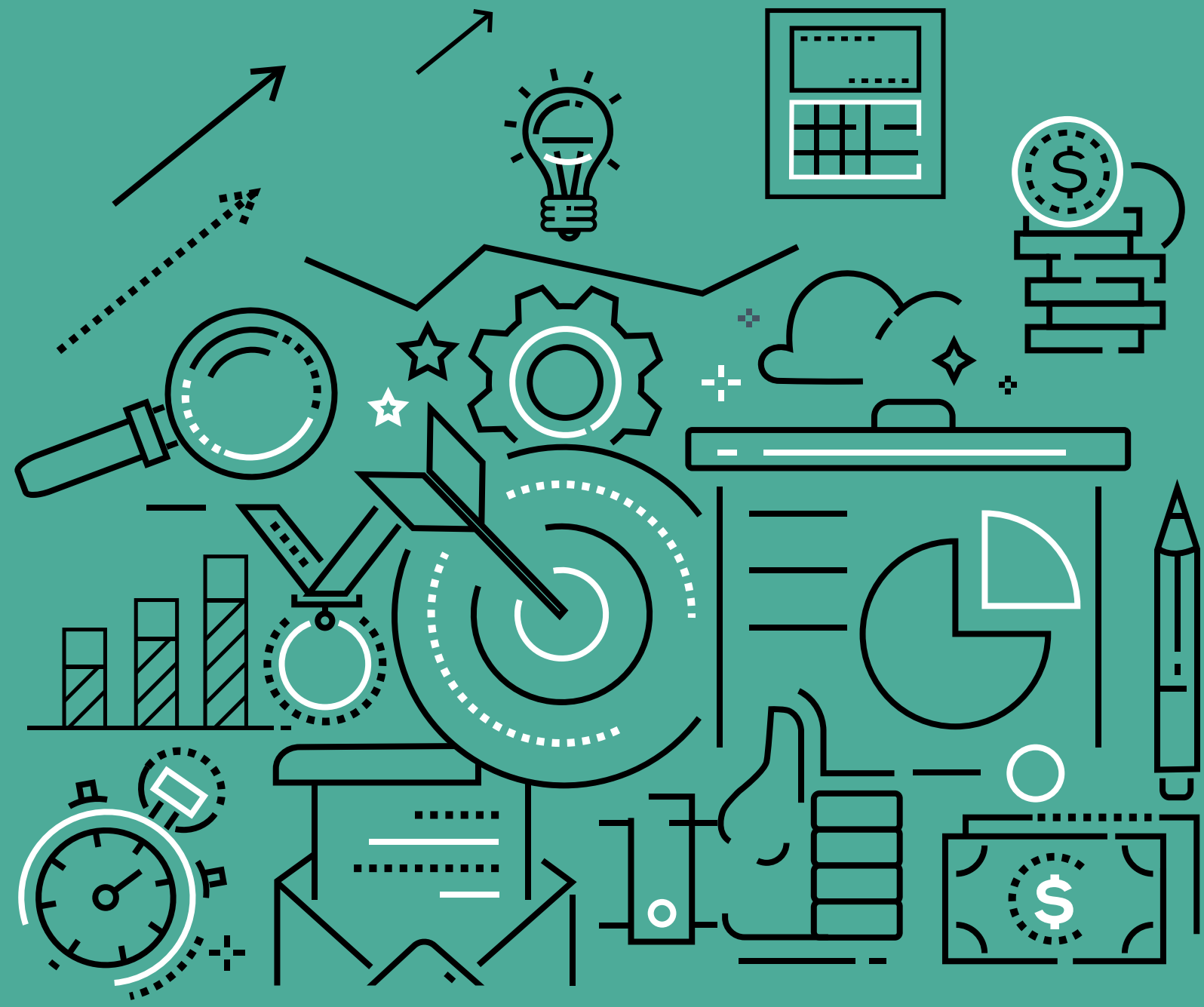
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# Financial Statements

31 December 2018

Asia Aviation Public Company Limited  
and its subsidiary



# 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 (the Company) and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018, 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 Company and its subsidiary in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

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 this matter. 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 matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

### Recognition of passenger service revenues and ancillary income

Passenger service revenues and ancillary income amount to approximately 92% of total revenues which are key performance indicators for users of the financial statements. In addition, recognition of passenger service revenues and ancillary income 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 ancillary income of the subsidiary 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 ancillary, and revenue recognition of passenger service revenues and ancillary income.
- Assessing and testing the subsidiary'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 Matter

The Consolidated financial statements of Asia Aviation Public Company Limited and its subsidiary and the separate financial statements of Asia Aviation Public Company Limited for the year ended 31 December 2017 were audited by another auditor who, under his report dated 21 February 2018, expressed an unmodified opinion on those financial statements.

## Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 Company, 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 Company and its subsidiary'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 Company and its subsidiary or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company and its subsidiary'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 Company and its subsidiary'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 Company and its subsidiary'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 Company and its subsidiary 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 Company and its subsidiary 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.



Termphong Opanaphan  
Certified Public Accountant (Thailand) No. 4501

EY Office Limited  
Bangkok: 27 February 2019

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	4,122,623,007	5,337,959,662	85,647,164	127,336,885
Current investments	8	-	1,489,009,499	-	-
Trade and other receivables	9	492,723,479	455,766,761	450,000	1,350,000
Amounts due from related parties	6	872,366,691	944,932,121	150,000	119,558
Inventories		188,318,274	148,800,537	-	-
Prepaid expenses		423,904,907	370,337,031	811,830	857,959
Other current assets		265,546,525	302,163,135	3,312,247	3,110,216
<b>Total current assets</b>		<b>6,365,482,883</b>	<b>9,048,968,746</b>	<b>90,371,241</b>	<b>132,774,618</b>
<b>Non-current assets</b>					
Long-term investment	10	12,593,900	11,883,900	-	-
Investment in subsidiary	11	-	-	3,067,114,370	3,067,114,370
Aircraft maintenance reserves	6, 12	4,532,740,844	3,652,264,201	-	-
Property, aircraft, leasehold improvements and equipment	13	26,185,182,438	25,472,747,919	4,501	8,801
Intangible assets	14	14,882,989,798	14,889,077,519	1	1
Goodwill	15	8,824,825,803	8,824,825,803	-	-
Deferred tax assets	25	-	-	343,738	470,578
Other non-current assets	6, 16	942,903,352	873,796,859	-	-
<b>Total non-current assets</b>		<b>55,381,236,135</b>	<b>53,724,596,201</b>	<b>3,067,462,610</b>	<b>3,067,593,750</b>
<b>Total assets</b>		<b>61,746,719,018</b>	<b>62,773,564,947</b>	<b>3,157,833,851</b>	<b>3,200,368,368</b>

The accompanying notes are an integral part of the financial statements.

# STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade payables		159,682,816	310,666,172	-	-
Other payables		393,233,357	478,322,743	520,000	581,512
Amounts due to related parties	6	699,189,680	170,092,214	-	-
Short-term borrowings from financial institutions	17	650,000,000	-	-	-
Current portion of long-term borrowings from financial institutions	18	213,772,250	1,348,080,475	-	-
Current portion of liabilities under finance lease agreements	20	1,300,075,453	1,299,335,216	-	-
Unearned income		4,986,934,947	4,820,988,435	-	-
Accrued expenses		2,561,641,516	2,376,044,919	754,250	3,035,000
Other current liabilities		57,632,270	106,606,078	443,561	54,298,865
<b>Total current liabilities</b>		<b>11,022,162,289</b>	<b>10,910,136,252</b>	<b>1,717,811</b>	<b>57,915,377</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions - net of current portion	18	2,624,156,110	1,984,335,988	-	-
Debentures	19	4,095,126,167	1,598,005,612	-	-
Liabilities under finance lease agreements - net of current portion	20	11,919,246,970	13,231,620,700	-	-
Provision for long-term employee benefits	21	422,548,659	346,675,403	-	-
Deferred tax liabilities	25	3,040,684,341	3,249,688,989	-	-
<b>Total non-current liabilities</b>		<b>22,101,762,247</b>	<b>20,410,326,692</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>33,123,924,536</b>	<b>31,320,462,944</b>	<b>1,717,811</b>	<b>57,915,377</b>

The accompanying notes are an integral part of the financial statements.

# STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Shareholders' equity</b>					
Share capital					
Registered					
4,850,000,000 ordinary shares of Baht 0.1 each					
		485,000,000	485,000,000	485,000,000	485,000,000
Issued and fully paid up					
4,850,000,000 ordinary shares of Baht 0.1 each					
		485,000,000	485,000,000	485,000,000	485,000,000
Premium on ordinary shares					
		2,599,808,274	2,599,808,274	2,599,808,274	2,599,808,274
Retained earnings					
Appropriated - statutory reserve					
	22	48,500,000	48,500,000	48,500,000	48,500,000
Unappropriated					
		17,322,056,067	18,872,576,491	22,807,766	9,144,717
Equity attributable to owners of the Company					
		20,455,364,341	22,005,884,765	3,156,116,040	3,142,452,991
Non-controlling interests of the a subsidiary					
		8,167,430,141	9,447,217,238	-	-
<b>Total shareholders' equity</b>					
		28,622,794,482	31,453,102,003	3,156,116,040	3,142,452,991
<b>Total liabilities and shareholders' equity</b>					
		61,746,719,018	62,773,564,947	3,157,833,851	3,200,368,368

The accompanying notes are an integral part of the financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from sales and services	23	38,904,847,688	36,002,787,665	31,250,000	25,000,000
Gain on exchange		250,401,861	322,049,042	-	200
Dividend income	11	-	-	1,638,559,825	730,644,367
Other income		1,044,957,237	957,481,644	789,019	2,176,087
<b>Total revenues</b>		<b>40,200,206,786</b>	<b>37,282,318,351</b>	<b>1,670,598,844</b>	<b>757,820,654</b>
<b>Expenses</b>					
Cost of sales and services		36,423,955,628	31,028,717,048	-	-
Selling and distribution expenses		1,627,575,370	1,559,994,508	-	-
Administrative expenses		1,488,534,680	1,389,731,370	32,083,956	24,748,536
Loss on exchange		-	-	10,575	-
<b>Total expenses</b>		<b>39,540,065,678</b>	<b>33,978,442,926</b>	<b>32,094,531</b>	<b>24,748,536</b>
<b>Profit before finance cost and income tax</b>		<b>660,141,108</b>	<b>3,303,875,425</b>	<b>1,638,504,313</b>	<b>733,072,118</b>
Finance cost		(743,708,995)	(653,183,898)	-	-
<b>Profit (loss) before income tax</b>		<b>(83,567,887)</b>	<b>2,650,691,527</b>	<b>1,638,504,313</b>	<b>733,072,118</b>
Income tax revenue (expense)	25	210,926,772	34,071,994	(126,840)	(496,369)
<b>Profit for the year</b>		<b>127,358,885</b>	<b>2,684,763,521</b>	<b>1,638,377,473</b>	<b>732,575,749</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)	21	9,610,620	(33,285,539)	-	-
Less: Income tax effect	25	(1,922,124)	6,657,108	-	-
<b>Other comprehensive income for the year</b>		<b>7,688,496</b>	<b>(26,628,431)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>135,047,381</b>	<b>2,658,135,090</b>	<b>1,638,377,473</b>	<b>732,575,749</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		69,965,327	1,477,489,058	1,638,377,473	732,575,749
Non-controlling interests of the subsidiary		57,393,558	1,207,274,463		
		<b>127,358,885</b>	<b>2,684,763,521</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		74,194,000	1,462,843,421	1,638,377,473	732,575,749
Non-controlling interests of the subsidiary		60,853,381	1,195,291,669		
		<b>135,047,381</b>	<b>2,658,135,090</b>		
<b>Earnings per share</b>	27				
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		0.0144	0.3046	0.3378	0.1510
Weighted average number of ordinary shares (Shares)		4,850,000,000	4,850,000,000	4,850,000,000	4,850,000,000

The accompanying notes are an integral part of the financial statements.

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2018

(Unit: Baht)

Consolidated financial statements							
Equity attributable to owners of the Company							
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
			Appropriated	Unappropriated			
<b>Balance as at 1 January 2017</b>	485,000,000	2,599,808,274	48,500,000	18,137,211,185	21,270,519,459	8,849,725,783	30,120,245,242
Profit for the year	-	-	-	1,477,489,058	1,477,489,058	1,207,274,463	2,684,763,521
Other comprehensive income for the year	-	-	-	(14,645,637)	(14,645,637)	(11,982,794)	(26,628,431)
Total comprehensive income for the year	-	-	-	1,462,843,421	1,462,843,421	1,195,291,669	2,658,135,090
Dividend paid (Note 30)	-	-	-	(727,478,115)	(727,478,115)	(597,800,214)	(1,325,278,329)
<b>Balance as at 31 December 2017</b>	485,000,000	2,599,808,274	48,500,000	18,872,576,491	22,005,884,765	9,447,217,238	31,453,102,003
<b>Balance as at 1 January 2018</b>	485,000,000	2,599,808,274	48,500,000	18,872,576,491	22,005,884,765	9,447,217,238	31,453,102,003
Profit for the year	-	-	-	69,965,327	69,965,327	57,393,558	127,358,885
Other comprehensive income for the year	-	-	-	4,228,673	4,228,673	3,459,823	7,688,496
Total comprehensive income for the year	-	-	-	74,194,000	74,194,000	60,853,381	135,047,381
Dividend paid (Note 30)	-	-	-	(1,624,714,424)	(1,624,714,424)	(1,340,640,478)	(2,965,354,902)
<b>Balance as at 31 December 2018</b>	485,000,000	2,599,808,274	48,500,000	17,322,056,067	20,455,364,341	8,167,430,141	28,622,794,482

The accompanying notes are an integral part of the financial statements.

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

For the year ended 31 December 2018

(Unit: Baht)

	Separate financial statements				
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total shareholders' equity
			Appropriated	Unappropriated	
<b>Balance as at 1 January 2017</b>	485,000,000	2,599,808,274	48,500,000	4,047,083	3,137,355,357
Profit for the year	-	-	-	732,575,749	732,575,749
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	732,575,749	732,575,749
Dividend paid (Note 30)	-	-	-	(727,478,115)	(727,478,115)
<b>Balance as at 31 December 2017</b>	485,000,000	2,599,808,274	48,500,000	9,144,717	3,142,452,991
<b>Balance as at 1 January 2018</b>	485,000,000	2,599,808,274	48,500,000	9,144,717	3,142,452,991
Profit for the year	-	-	-	1,638,377,473	1,638,377,473
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,638,377,473	1,638,377,473
Dividend paid (Note 30)	-	-	-	(1,624,714,424)	(1,624,714,424)
<b>Balance as at 31 December 2018</b>	485,000,000	2,599,808,274	48,500,000	22,807,766	3,156,116,400

The accompanying notes are an integral part of the financial statements.

# CASH FLOW STATEMENT

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from operating activities</b>				
Profit before (loss) tax	(83,567,887)	2,650,691,527	1,638,504,313	733,072,118
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Write-off of bad debts	2,239,192	3,042,202	-	-
Depreciation and amortisation	1,666,752,866	1,450,988,889	4,300	4,300
Gain on sales and write-off of leasehold improvements, equipment and intangible assets	(359,467)	(243,201)	-	-
Provision for long-term employee benefits	85,483,876	64,864,270	-	-
Unrealised (gain) loss on exchange	1,584,040	(416,755,828)	-	(200)
Interest income	(58,709,864)	(55,989,402)	(189,018)	(269,885)
Dividend income	-	-	(1,638,559,825)	(730,644,367)
Finance cost	743,708,995	653,183,898	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	2,357,131,751	4,349,782,355	(240,230)	2,161,966
Operating assets (increase) decrease				
Trade and other receivables	(47,515,228)	(11,324,013)	900,000	(480,000)
Amounts due from related parties	75,213,791	(133,491,105)	(30,442)	6,567,942
Inventories	(39,517,737)	(30,624,179)	-	-
Prepaid expenses	(52,607,986)	(47,256,086)	1,006,019	60,427
Other current assets	43,773,118	42,844,951	(202,031)	(45,018)
Other non-current assets	(69,106,493)	166,901,323	-	-
Operating liabilities increase (decrease)				
Trade payables	(150,983,356)	(178,294,253)	-	-
Other payables	(85,089,386)	137,466,127	(61,512)	(11,611)
Amounts due to related parties	529,097,466	(267,376,771)	-	-
Unearned income	165,946,512	582,842,823	-	-
Accrued expenses	200,033,277	492,994,968	(2,280,750)	824,120
Other current liabilities	(48,973,808)	17,001,862	(53,855,304)	3,656,237
Payment of provision for long-term employee benefits	-	(6,425,000)	-	-
Cash flows from (used in) operating activities	2,877,401,921	5,115,043,002	(54,764,250)	12,734,063
Cash paid for income tax	(8,116,398)	(10,193,172)	(959,890)	(959,699)
<b>Net cash flows from (used in) operating activities</b>	<b>2,869,285,523</b>	<b>5,104,849,830</b>	<b>(55,724,140)</b>	<b>11,774,364</b>

The accompanying notes are an integral part of the financial statements.



# CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Decrease in restricted deposits at financial institutions	-	1,636,140	-	-
Decrease in current investments	1,493,248,063	486,342,968	-	-
Increase in long-term investment	(710,000)	(35,400)	-	-
Payment for aircraft maintenance reserves	(880,476,643)	(986,720,548)	-	-
Acquisitions of property, aircraft, leasehold improvements and equipment	(2,406,628,375)	(2,425,061,385)	-	-
Acquisitions of intangible assets	(4,164,654)	(27,332,282)	-	-
Interest income	64,007,428	49,627,423	189,018	269,885
Dividend income	-	-	1,638,559,825	730,644,367
Proceeds from sales of leasehold improvements and equipment	1,402,174	82,962,224	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>(1,733,322,007)</b>	<b>(2,818,580,860)</b>	<b>1,638,748,843</b>	<b>730,914,252</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term borrowings from financial institutions	650,000,000	-	-	-
Proceeds from long-term borrowings from financial institutions	1,226,187,000	3,510,000,000	-	-
Payment for front end fee of long-term borrowings	-	(1,800,000)	-	-
Repayment of long-term borrowings	(1,721,805,103)	(2,009,352,070)	-	-
Proceed from issuance of debentures	2,500,000,000	1,600,000,000	-	-
Payment for front end fee of debentures	(4,000,717)	(2,369,874)	-	-
Payments for early termination of finance lease agreements	-	(1,602,541,542)	-	-
Cash paid for liabilities under finance lease agreements	(1,291,551,592)	(1,116,483,886)	-	-
Interest paid	(681,760,565)	(615,548,394)	-	-
Dividend paid	(2,965,354,903)	(1,325,278,329)	(1,624,714,424)	(727,478,115)
<b>Net cash flows used in financing activities</b>	<b>(2,288,285,880)</b>	<b>(1,563,374,095)</b>	<b>(1,624,714,424)</b>	<b>(727,478,115)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,152,322,364)</b>	<b>722,894,875</b>	<b>(41,689,721)</b>	<b>15,210,501</b>
Cash and cash equivalents at beginning of the year	5,337,959,662	4,661,352,232	127,336,885	112,126,184
Unrealised exchange gain (loss) on cash and cash equivalents	(63,014,291)	(46,287,445)	-	200
<b>Cash and cash equivalents at end of the year (Note 7)</b>	<b>4,122,623,007</b>	<b>5,337,959,662</b>	<b>85,647,164</b>	<b>127,336,885</b>
Non-cash items:				
Increase (decrease) in other payables from acquisitions of equipment	(36,650,659)	27,940,481	-	-
Acquisitions of aircraft under finance lease agreements	-	4,173,977,431	-	-

The accompanying notes are an integral part of the financial statements.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

## 1. 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, 3<sup>rd</sup> floor, Central Office Building, Room no. 3200, Vibhavadee Rangsit Road, Sanam Bin Sub-District, Don Mueang District, Bangkok.

## 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 dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Asia Aviation Public Company Limited (“the Company”) and the following subsidiary (“the subsidiary”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2018	2017
			(%)	(%)
Thai AirAsia Company Limited	Low-fare airline service	Thailand	55	55

b) The Company is deemed to have control over an investee or subsidiary 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) A subsidiary 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 subsidiary are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

## 3. NEW FINANCIAL REPORTING STANDARDS

### 3.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiary have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiary’s financial statements.

### 3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2019

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2018) which are effective for fiscal years beginning on or after 1 January 2019. 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 Company and its subsidiary believes that most of the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied. However, the new standard involves changes to key principles, as summarised below.

#### TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiary expects the adoption of this accounting standard to result in the adjustments for processing and change of air ticket fees, which the subsidiary has considered that such fees are collected as part of the flight service which is a contract performance obligation, and should be recognised throughout the flight service period. Previously, revenue was recognised in full upon passenger's process of purchase or change of an air ticket.

### 3.3 Financial reporting standards related to financial statements that will become effective for fiscal years beginning on or after 1 January 2020

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting Standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the entity's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiary is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 Revenue recognition**

#### *Passenger service revenues and other related services*

Passenger service revenues and other related services such as baggage handling fee, assigned seat revenue and cancellation and documentation revenue are recognised upon the rendering of services. The value of seats sold for which services have not been rendered is included in deferred revenues.

#### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

#### *Dividend income*

Dividend income is recognised when the right to receive the dividends is established.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less.

### **4.3 Trade receivables**

Trade receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### **4.4 Inventories**

Inventories comprising food, beverages and merchandise are valued at the lower of cost (under the first-in, first-out 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.

## 4.5 Investments

- a) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- b) Investment in non-marketable equity securities, which the subsidiary classifies as other investment, is stated at cost net of allowance for impairment loss (if any).
- c) Investment in subsidiary is accounted for in the separate financial statements using the cost method.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

## 4.6 Property, aircraft, leasehold improvement and equipment and depreciation

Land is stated at cost less allowance for loss on impairment (if any).

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 Company and its subsidiary 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, approximately every 6 years, and amortised as expenses over the useful life not over 6 years 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, leasehold improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Aircraft and aircraft engines	- 5 - 25 years
Aircraft spare parts	- 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 installation.

An item of property, 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.

#### 4.7 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 a systematic 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 life, 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.

#### 4.8 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 Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### 4.10 Long-term leases

Leases of aircraft, leasehold improvement or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, aircraft, leasehold improvement or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### 4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company and its subsidiary'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 assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the property, aircraft, leasehold improvement and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company 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 Company and its subsidiary 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***

###### *Defined contribution plans*

The subsidiary and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the subsidiary. The fund's assets are held in a separate trust fund and the subsidiary's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The subsidiary has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The subsidiary treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

#### 4.14 Provisions

Provisions are recognised when the Company and its subsidiary have 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 Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiary review and reduce 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 Company and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### 4.16 Derivatives

Derivative financial instruments that the subsidiary uses to manage risks comprise fuel price swap agreements, forward foreign exchange contracts, interest rate swap agreements and cross currency swap agreement. Such instruments are not recognised in the consolidated financial statements on inception, but are disclosed the fair values of financial instruments at the end of the reporting period.

#### 4.17 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 Company and its subsidiary apply 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 Company and its subsidiary measure 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 Company and its subsidiary determine 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:

### 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.

### 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.

### Post-employment benefits under defined benefit

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. RELATED PARTY TRANSACTIONS

Significant related persons and companies of the Company and its subsidiary are summarised as below.

- Khun Tassapon Bijleveld, the major shareholder, director, and management of the Company and its subsidiary, and the Bijleveld family
- The Srivaddhanaprabha family and the King Power Group (No longer be related parties since 27 December 2017 because Srivaddhanaprabha family, the former major shareholders and the management of King Power Group, sold the Company's shares of 1,761,588,286 shares back to Khun Tassapon Bijleveld)
- AirAsia Berhad Group, the 45% held shareholder in the subsidiary
- Directors and senior management of the Company and its subsidiary

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiary and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2018	2017	2018	2017	
<b>Transactions with a subsidiary</b>					
(eliminated from the consolidated financial statements)					
Management income	-	-	31	25	Contract price
Dividend income	-	-	1,639	731	As declared

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2018	2017	2018	2017	
<b>Transactions with related companies</b>					
Passenger income	-	13	-	-	- Contract price
Advertising income	-	56	-	-	- Contract price
Interest income from default receivables	3	5	-	-	- 6 percent per annum
Other administrative income	40	38	-	-	- Contract price
Commission income from loyalty program to customers	51	56	-	-	- Contract price
Commission income from sales of duty free goods	-	16	-	-	- Contract price
Share of gain from fuel price swap agreements	255	629	-	-	- Allocated based on usage
Allocated staff cost for accounting and other service expenses	71	73	-	-	- Contract price
Aircraft and aircraft engines rental expenses	3,314	4,344	-	-	- Contract price
Aircraft repair and maintenance expenses	2,158	2,112	-	-	- Market price
Purchases of merchandises and equipment	61	25	-	-	- Market price
Management expenses	16	15	-	-	- Contract price
Booking fee expenses	163	178	-	-	- Contract price
Pilot training expenses	4	89	-	-	- Contract price
Brand license fee expenses	595	548	-	-	- 1.5 percent of airline operating income
Expenses for loyalty program to customers	51	56	-	-	- Contract price
Sponsorship fee paid to Leicester City Football Club	-	40	-	-	- Contract price
Donation paid to King Power Foundation	-	5	-	-	- Contract price
Sponsorship fee paid to Thailand Polo Association	-	3	-	-	- Contract price
Ground handling service expenses	108	44	-	-	- Contract price
Security expenses	12	11	-	-	- Contract price
Conference room and other service expenses	1	-	-	-	- Contract price
Marketing fund expenses	146	-	-	-	- Contract price
Dividend paid	1,341	598	-	-	- As declared

As at 31 December 2018 and 2017, the outstanding balances between the Company, the subsidiary and those related parties are as follows.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Receivables - related parties</b>				
Related companies (common shareholders and/or directors)	872,366,691	944,932,121	150,000	119,558
Total	872,366,691	944,932,121	150,000	119,558
<b>Aircraft maintenance reserves - related party (Note 12)</b>				
Related company (common shareholders and directors)	4,532,740,844	3,652,264,201	-	-
Total	4,532,740,844	3,652,264,201	-	-
<b>Other non-current assets - related parties (Note 16)</b>				
<i>Deposits for lease of aircraft and aircraft engines</i>				
Related company (common shareholders and directors)	364,818,240	657,120,066	-	-
<i>Deposits for fuel price swap agreements</i>				
Related company (common shareholders and directors)	16,142,400	16,257,300	-	-
<i>Other deposits</i>				
Related company (common directors)	20,000,000	-	-	-
Total	400,960,640	673,377,366	-	-
<b>Payables - related parties</b>				
Related companies (common shareholders and/or directors)	699,189,680	170,092,214	-	-
Total	699,189,680	170,092,214	-	-

#### Directors and management's benefits

During the years ended 31 December 2018 and 2017, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	160,538,668	142,343,195	14,939,343	11,617,500
Post-employment benefits	13,312,749	6,373,889	-	-
Total	173,851,417	148,717,084	14,939,343	11,617,500

## 7. CASH AND CASH EQUIVALENTS

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash	32,307,459	8,567,450	-	-
Bank deposits	3,479,315,548	4,952,792,212	85,647,164	127,336,885
Bank deposit held for short-term payment	611,000,000	376,600,000	-	-
Total	4,122,623,007	5,337,959,662	85,647,164	127,336,885

As at 31 December 2018, bank deposits in saving accounts and fixed deposits carried interests between 0.25 and 3.05 percent per annum (2017: Between 0.10 and 3.20 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. CURRENT INVESTMENTS

As at 31 December 2017, fixed deposits carried interests between 1.20 and 1.70 percent per annum (2018: nil).

## 9. TRADE AND OTHER RECEIVABLES

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<u>Trade receivables</u>				
Aged on the basis of due dates				
Not yet due	381,408,490	333,443,037	-	-
Past due				
Up to 3 months	36,615,849	42,465,551	-	-
3 - 6 months	17,720,138	3,936,934	-	-
6 - 12 months	6,708,364	108,784	-	-
Over 12 months	286,611	1,786,035	-	-
Total trade receivables	442,739,452	381,740,341	-	-
<u>Other receivables</u>				
Accrued airport fee and incentive income	5,063,889	16,886,607	-	-
Accrued income	2,011,695	14,578,906	450,000	1,350,000
Others	42,908,443	42,560,907	-	-
Total other receivables	49,984,027	74,026,420	450,000	1,350,000
Total trade and other receivables	492,723,479	455,766,761	450,000	1,350,000

## 10. LONG-TERM INVESTMENT

General investment represents is the investment in ordinary shares of Aeronautical Radio of Thailand Limited.

## 11. INVESTMENT IN SUBSIDIARY

11.1 investment in subsidiary as presented in separate financial statements is as follows.

(Unit: Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during for the years	
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
Thai AirAsia Company Limited	435,555,600	435,555,600	55	55	3,067,114,370	3,067,114,370	1,638,559,825	730,644,367

On 14 February 2012, the Company entered into an "Amended and Restated Shareholders' Agreement" with three parties which are AirAsia Investment Ltd. (a subsidiary of AirAsia Berhad), AirAsia Berhad and Thai AirAsia Company Limited pursuant which the parties set out their respective rights and obligations with respect to Thai AirAsia Company Limited. According to the "Amended and Restate Shareholders' Agreement", the Company has gained control over Thai AirAsia Company Limited. The "Amended and Restate Shareholders' Agreement" will be effective from the date that the Securities and Exchange Commission issues a letter to the Company notifying that it has commence counting the period of effectiveness of the draft prospectus filed by the Company in relation to an initial public offering, which is 4 May 2012. Therefore, Thai AirAsia Company Limited has been considered as a subsidiary instead of a joint venture from that date onward.

On 29 May 2012, the Company subscribed for an additional 3,555,560 shares of Thai AirAsia Company Limited, totaling Baht 2,663 million, at a price of Baht 749 each. Therefore, the Company's shareholding interest in Thai AirAsia Company Limited was increased from 51% to 55% from that date.

11.2 Details of investment in subsidiary that have material non-controlling interests

(Unit: Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests in subsidiary		Profit allocated to non-controlling interests during the years		Dividend paid to non-controlling interests during the years	
	2018	2017	2018	2017	2018	2017	2018	2017
	(%)	(%)						
Thai AirAsia Company Limited	45	45	8,167,430,141	9,447,217,238	57,393,558	1,207,274,463	1,340,640,478	597,800,214

11.3 Summarised financial information that based on amounts before inter-company elimination about the subsidiary that has material non-controlling.

*Summarised information about financial position*

(Unit: Baht)

	Thai AirAsia Company Limited	
	As at 31 December	
	2018	2017
Current assets	6,275,111,642	8,916,194,126
Non-current assets	31,642,781,568	29,986,137,335
Current liabilities	(11,020,444,478)	(10,852,220,875)
Non-current liabilities	(19,119,381,132)	(17,428,072,417)

Summarised information about comprehensive income

(Unit: Baht)

	<b>Thai AirAsia Company Limited</b>	
	<b>For the years ended 31 December</b>	
	<b>2018</b>	<b>2017</b>
Revenue	40,199,428,343	37,280,142,064
Profit	127,541,239	2,687,750,599
Other comprehensive income	7,688,496	(26,628,431)
Total comprehensive income	135,229,735	2,661,122,168

Summarised information about cash flows

(Unit: Baht)

	<b>Thai AirAsia Company Limited</b>	
	<b>For the years ended 31 December</b>	
	<b>2018</b>	<b>2017</b>
Cash flows from operating activities	2,925,009,663	5,093,075,465
Cash flows used in investing activities	(1,733,511,025)	(2,818,850,745)
Cash flows used in financing activities	(2,302,131,281)	(1,566,540,346)
Net increase (decrease) in cash and cash equivalents	(1,110,632,643)	707,684,374
Cash and cash equivalents at beginning of the year	5,210,622,777	4,549,226,048
Unrealised exchange loss on cash and cash equivalents	(63,014,291)	(46,287,645)
Cash and cash equivalents at end of the year	4,036,975,843	5,210,622,777

## 12. AIRCRAFT MAINTENANCE RESERVES

AirAsia Berhad, a related party, had entered into an Aircraft maintenance services agreement with the subsidiary. 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 AirAsia Berhad 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.

Movements of the aircraft maintenance reserves account during the years 2018 and 2017 are summarised below.

(Unit: Baht)

	<b>Consolidated financial statements</b>	
	<b>2018</b>	<b>2017</b>
Net book value as at 1 January	3,652,264,201	2,665,543,653
Payment for aircraft maintenance reserves	880,476,643	986,720,548
Net book value as at 31 December	4,532,740,844	3,652,264,201



(Unit: Baht)

	<b>Separate financial statements</b>
	<b>Operating equipments</b>
<b>Cost</b>	
1 January 2017	62,187
31 December 2017	62,187
31 December 2018	62,187
<b>Accumulated depreciation:</b>	
1 January 2017	49,086
Depreciation for the year	4,300
31 December 2017	53,386
Depreciation for the year	4,300
31 December 2018	57,686
<b>Net book value:</b>	
31 December 2017	8,801
31 December 2018	4,501
<b>Depreciation for the year</b>	
2017 (Included in administrative expenses)	4,300
2018 (Included in administrative expenses)	4,300

As at 31 December 2018, the subsidiary had aircraft with net book value of Baht 17,467 million (2017: Baht 18,515 million) which were acquired under finance lease agreements.

The subsidiary has pledged its 2 aircraft (2017: 2 aircraft) with net book value amounting to approximately Baht 2,808 million (2017: Baht 2,476 million) as collateral against credit facilities received from financial institutions as discussed in Note 18.



## 14. INTANGIBLE ASSETS

The net book value of intangible assets as at 31 December 2018 and 2017 is presented below.

(Unit: Baht)

	Consolidated financial statements			Total	Separate financial statements
	Landing rights	Computer software	Computer software under installation		Computer software
As at 31 December 2018:					
Cost	14,856,000,000	90,294,873	-	14,946,294,873	6,420
Less: Accumulated amortisation	-	(63,305,075)	-	(63,305,075)	(6,419)
Net book value	14,856,000,000	26,989,798	-	14,882,989,798	1
As at 31 December 2017:					
Cost	14,856,000,000	84,980,084	1,222,230	14,942,202,314	6,420
Less: Accumulated amortisation	-	(53,124,795)	-	(53,124,795)	(6,419)
Net book value	14,856,000,000	31,855,289	1,222,230	14,889,077,519	1

A reconciliation of the net book value of intangible assets for the years 2018 and 2017 is presented below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net book value at beginning of year	14,889,077,519	14,871,536,619	1	1
Acquisition of computer software	4,164,654	27,332,282	-	-
Write-off - net book value at write-off date	(5)	(3)	-	-
Amortisation	(10,252,370)	(9,791,379)	-	-
Net book value at end of year	14,882,989,798	14,889,077,519	1	1

Landing rights are tested for impairment together with goodwill due to there are in the same cash-generating unit (CGU) in Note 15.

## 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: Baht)

	Consolidated financial statements	
	Scheduled flight operations	
	2018	2017
Goodwill	8,824,825,803	8,824,825,803
Landing rights	14,856,000,000	14,856,000,000
	23,680,825,803	23,680,825,803

The management has considered that goodwill and landing rights are not impaired.

The recoverable amount of a CGU is determined based on value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budget approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate as stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used in the value-in-use calculation are summarised below.

	Scheduled flight operations
Growth rate <sup>1</sup>	0.0%
Discount rate <sup>2</sup>	8.4%

<sup>1</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period

<sup>2</sup> Pre-tax discount rate applied to the cash flow projection

The Management determined budgeted profits based on past performance and its expectations of market development. The weighted average growth rate used are consistent with the forecast included in industry reports. The discount rate used is pre-tax and reflects specific risks relating to the relevant segment.

The recoverable amount will be equal to the carrying amount if the key assumptions used for value-in-use are changed to be as follow.

	Scheduled flight operations
Discount rate	14.4%

## 16. OTHER NON-CURRENT ASSETS

(Unit: Baht)

	Consolidated financial statements	
	2018	2017
Aircraft and aircraft engine rental deposits - related party	364,818,240	657,120,066
Aircraft and aircraft engine rental deposits - unrelated parties	343,998,289	10,545,395
Airport operation deposits	34,600,000	34,600,000
Fuel price swap deposits	16,142,400	16,257,300
Rental deposits	53,372,086	49,815,219
Other deposits	129,972,337	105,458,879
Total other non-current assets	942,903,352	873,796,859

## 17. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

As at 31 December 2018, short-term borrowings were in the form of promissory notes and carried fixed interest at rates between 2.40 and 3.25 percent per annum (2017: Nil).

## 18. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

(Unit: Baht)

	Consolidated financial statements	
	2018	2017
Current portion of long-term borrowings from financial institutions	214,682,250	1,349,210,475
Less: Front end fee	(910,000)	(1,130,000)
Net current portion of long-term borrowings	213,772,250	1,348,080,475
Long-term borrowings from financial institutions - net of current portion		
In over 1 year and up to 5 years	1,277,581,216	1,051,435,653
In over 5 years	1,347,699,813	934,935,254
Less: Front end fee	(1,124,919)	(2,034,919)
Long-term borrowings - net of current portion	2,624,156,110	1,984,335,988
Total long-term borrowings from financial institutions	2,837,928,360	3,332,416,463

As of 31 December 2018, the subsidiary had long-term borrowings from several local financial institutions with terms of 6 and 12 years (2017: 3, 5, 6 and 12 years). Principal repayments are scheduled in monthly installments and interest is charged at both fixed and floating rates of between 3.10 and 3.95 percent per annum (2017: 2.76 to 3.13 percent per annum).

The long-term borrowings are secured by the pledge of the subsidiary's aircraft as described in Note 13.

The borrowing agreement contains certain financial covenants relating to matters such as the maintenance of certain net interest bearing debt to ratios.

Fair value of long-term borrowings from financial institutions as of 31 December 2018 amounted to Baht 2,838 million (2017: Baht 3,332 million).

As at 31 December 2017, the long-term credit facilities of the subsidiary which have not yet been drawn down amounted to Baht 800 million (2018: Nil).

Movements of long-term borrowings from financial institutions account during the years 2018 and 2017 are summarised below.

(Unit: Baht)

	Consolidated financial statements	
	2018	2017
Balance as at 1 January	3,332,416,463	1,832,753,453
Borrowing during the year	1,226,187,000	3,510,000,000
Payment for front end fee	-	(1,800,000)
Amortisation of front end fee	1,130,000	815,080
Repayment of borrowings	(1,721,805,103)	(2,009,352,070)
Balance as at 31 December	2,837,928,360	3,332,416,463

During the year 2017, the subsidiary entered into fixed interest rate loan agreements with several local financial institutions to provide working capital and to fund settlement of the remaining obligations to existing financial institution lenders as a result of the early termination of the finance lease for an aircraft. This resulted in lower interest payments and provided a cash flow hedge of future interest payments. The agreements have terms of 5 and 6 years. The subsidiary also entered into a floating interest rate loan agreement to fund the purchase of new aircraft, which has a term of 12 years. The borrowings are denominated in Thai Baht.

On 13 July 2018 the subsidiary entered into a long-term loan agreement with a local bank to obtain a fixed interest rate loan of Baht 1,226 million to fund the acquisition of a new aircraft, which was transferred to the subsidiary on 30 July 2018. The loan has a term of 12 years and is secured by the pledge of the new aircraft.

## 19. DEBENTURES

As at 31 December 2018 and 2017, the outstanding balance of debentures are summarised below.

(Unit: Baht)

Consolidated financial statements								
No.	Series	Maturity date	No. of units (Million units)	Par value (Baht)	Interest rate (% p.a.)	Term of interest Payment	Book value	
							2018	2017
1/2017	1	Entirely redeemed on 19 May 2020 (3 years)	1.0	1,000	2.65	Semi-annual	1,000,000,000	1,000,000,000
1/2017	2	Entirely redeemed on 19 May 2022 (5 years)	0.6	1,000	3.28	Semi-annual	600,000,000	600,000,000
1/2018	1	Entirely redeemed on 26 June 2021 (3 years)	1.5	1,000	2.56	Semi-annual	1,500,000,000	-
1/2018	2	Entirely redeemed on 26 June 2023 (5 years)	1.0	1,000	2.95	Semi-annual	1,000,000,000	-
Total							4,100,000,000	1,600,000,000
Less: Deferred debenture issuing costs							(4,873,833)	(1,994,388)
Debenture - net							4,095,126,167	1,598,005,612

Debentures are unsubordinated and unsecured in Baht currency with fixed interest rates. Their fair value as at 31 December 2018 amounted to Baht 4,091 million (2017: Baht 1,625 million).

Movements of debentures account during the years 2018 and 2017 are summarised below.

(Unit: Baht)

	Consolidated financial statements	
	2018	2017
Balance as at 1 January	1,598,005,612	-
Issuance during the year	2,500,000,000	1,600,000,000
Payment for front end fee	(4,000,717)	(2,369,874)
Amortisation of front end fee	1,121,272	375,486
Balance as at 31 December	4,095,126,167	1,598,005,612

On 19 May 2017, the subsidiary issued two tranches of debentures no. 1/2017, which are named-registered, unsubordinated, unsecured and no representative holders in Baht currency. The subsidiary intended to use the proceeds from the issuance for general investment purpose and/or for loan repayment and/or for working capital.

On 26 June 2018, the subsidiary issued two tranches of debentures no. 1/2018, which are named-registered, unsubordinated and unsecured in Baht currency. The subsidiary intended to use the proceeds from the issuance for general investment purpose and/or for loan repayment and/or for working capital.

## 20. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

(Unit: Baht)

	Consolidated financial statements	
	2018	2017
Liabilities under finance lease agreements	15,926,223,225	17,421,346,538
Less: Deferred interest expenses	(2,706,900,802)	(2,890,390,622)
Total	13,219,322,423	14,530,955,916
Less: Portion due within one year	(1,300,075,453)	(1,299,335,216)
Liabilities under finance lease agreements - net of current portion	11,919,246,970	13,231,620,700

The subsidiary has entered into the finance lease agreements for rental of aircraft for use in its operation, whereby it is committed to pay rental on monthly and quarterly basis. The terms of the agreements are generally between 11 and 12 years.

Future minimum lease payments required under the finance lease agreements were as follows.

(Unit: Baht)

	Consolidated financial statements			
	2018			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	1,833,298,943	7,333,195,771	6,759,728,511	15,926,223,225
Deferred interest expenses	(533,223,490)	(1,557,562,734)	(616,114,578)	(2,706,900,802)
Present value of future minimum lease payments	1,300,075,453	5,775,633,037	6,143,613,933	13,219,322,423

(Unit: Baht)

	Consolidated financial statements			
	2017			
	Less than 1 year	1-5 years	Over 5 years	Total
Future minimum lease payments	1,812,725,383	7,250,901,531	8,357,719,624	17,421,346,538
Deferred interest expenses	(513,390,167)	(1,569,571,181)	(807,429,274)	(2,890,390,622)
Present value of future minimum lease payments	1,299,335,216	5,681,330,350	7,550,290,350	14,530,955,916

## 21. 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: Baht)

	Consolidated financial statements	
	2018	2017
<b>Provision for long-term employee benefits at beginning of year</b>	346,675,403	254,950,594
Included in profit or loss:		
Current service cost	75,742,456	56,986,494
Interest cost	9,741,420	7,877,776
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumption changes	-	15,923,770
Financial assumption changes	(6,687,462)	17,364,365
Experience adjustments	(2,923,158)	(2,596)
Benefits paid during the year	-	(6,425,000)
<b>Provision for long-term employee benefits at end of year</b>	<b>422,548,659</b>	<b>346,675,403</b>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Baht)

	Consolidated financial statements	
	2018	2017
Cost of sales and services	70,755,528	53,615,285
Selling and distribution expenses	1,747,601	2,726,438
Administrative expenses	12,980,747	8,522,547
<b>Total expenses recognised in profit or loss</b>	<b>85,483,876</b>	<b>64,864,270</b>

The subsidiary expects to pay Baht 2 million of long-term employee benefits during the next year.

As at 31 December 2018, the weighted average duration of the liabilities for long-term employee benefit is 15 years (2017: 15 years).

Significant actuarial assumptions are summarised below.

(Unit: % p.a.)

	Consolidated financial statements	
	2018	2017
Discount rate	2.92	2.81
Salary increase rate	5.59 - 10.00	5.59 - 10.00
Turnover rate	0.00 - 10.00	0.00 - 10.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2018 and 2017 are summarised below:

(Unit: Baht)

	Consolidated financial statements			
	2018		2017	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(54,807,587)	66,385,623	(45,637,241)	55,484,498
Salary increase rate	63,023,235	(53,302,727)	52,027,083	(43,806,102)
Turnover rate	(59,137,788)	51,155,593	(49,217,494)	43,208,968

On 13 December 2018, The National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which is in the process being published in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 day's compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the subsidiary has additional liabilities for long-term employee benefits of Baht 111 million. The subsidiary will reflect the effect of the change by recognising past services costs as expenses in the statement of comprehensive income of the period in which the law is effective.

## 22. STATUTORY RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 23. REVENUES FROM SALES AND SERVICES

Revenues from sales and services for the years 2018 and 2017 are summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Passenger service revenues	29,072,863,090	26,622,872,171	-	-
Baggage handling and other service fees	7,853,071,515	6,993,722,079	-	-
Charter flight revenues	1,064,717,911	1,615,185,222	-	-
In-flight revenues	606,671,457	469,781,529	-	-
Freight revenues	270,000,000	230,000,000	-	-
Advertising income	37,523,715	71,226,664	-	-
Management fee	-	-	31,250,000	25,000,000
Total revenues	38,904,847,688	36,002,787,665	31,250,000	25,000,000



## 24. EXPENSES BY NATURE

Significant expenses classified by nature are as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Salaries, wages and other employee benefits	5,783,967,129	5,464,551,283	1,476,000	5,495,267
Depreciation and amortisation expenses	1,666,752,866	1,450,988,889	4,300	4,300
Fuel costs	14,635,577,794	10,582,509,529	-	-
Aircraft and aircraft engine rental - related party	3,314,226,271	4,343,894,681	-	-
Aircraft rental - unrelated parties	1,833,630,036	645,283,314	-	-
Repair and maintenance expenses	3,207,765,104	2,904,050,794	-	-
Ramp and airport operating costs	4,487,472,051	4,317,966,060	-	-

## 25. INCOME TAX

Income tax (revenue) expense for the years 2018 and 2017 are made up as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Current income tax:</b>				
Current income tax charge for the year	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(210,926,772)	(34,071,994)	126,840	496,369
<b>Income tax (revenue) expense reported in the statement of comprehensive income</b>	<b>(210,926,772)</b>	<b>(34,071,994)</b>	<b>126,840</b>	<b>496,369</b>

The amounts of income tax relating to each component of other comprehensive income for the years 2018 and 2017 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred tax on actuarial (gain) loss	(1,922,124)	6,657,108	-	-
	(1,922,124)	6,657,108	-	-

The reconciliation between accounting profit (loss) and income tax (revenue) expense is shown below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Accounting profit (loss) before tax	(83,567,887)	2,650,691,527	1,638,504,313	733,072,118
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(16,713,577)	530,138,305	327,700,863	146,614,424
Effects of:				
Promotional privileges (Note 26)	(207,192,769)	(572,986,011)	-	-
Tax-exempt revenue	-	-	(327,711,965)	(146,128,875)
Non-deductible expenses	3,179,640	1,260,733	137,942	10,820
Revenue subject to tax	9,799,934	7,514,979	-	-
Total	(194,213,195)	(564,210,299)	(327,574,023)	(146,118,055)
Income tax (revenue) expense reported in the statement of comprehensive income	(210,926,772)	(34,071,994)	126,840	496,369

Income tax (revenue) expense reported in the statement of comprehensive income

(Unit: Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Deferred tax assets</b>				
Provision for long-term employee benefits	81,557,793	66,344,386	-	-
Unused tax losses	483,563,326	288,606,421	343,738	470,578
Total	565,121,119	354,950,807	343,738	470,578
<b>Deferred tax liabilities</b>				
Fair value of assets from business combination	(2,982,724,852)	(2,982,724,852)	-	-
Finance leases	(623,080,608)	(621,914,944)	-	-
Total	(3,605,805,460)	(3,604,639,796)	-	-
Net deferred tax assets (liabilities)	(3,040,684,341)	(3,249,688,989)	343,738	470,578

The unused tax losses amounting to Baht 484 million (2017: Baht 289 million) (Separate financial statements: Baht 0.3 million, 2017: Baht 0.5 million) will expire by 2023 (2017: 2022).

## 26. PROMOTIONAL PRIVILEGES

As at 31 December 2018, the subsidiary received 15 certificates (2017: 12 certificates) of promotional privileges from the Board of Investment ("BOI") for 44 aircraft (2017: 38 aircraft) 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 and 8 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 2018, the subsidiary had received 43 aircraft (2017: 37 aircraft) under such certificates of promotional privileges from the BOI.

## 27. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

## 28. 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 Company and its subsidiary are organised into business units based on its services and have two main reportable segments as follows:

- Schedule flight operations: The subsidiary provides passenger air transportation services to routine destination for scheduled flight. The subsidiary sells tickets through its distribution channels such as website, sale counter, travel agents, etc.
- Chartered flight operations: The subsidiary 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 Company and its subsidiary measure their 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 Company and its subsidiary'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 Company and its subsidiary's operating segments for the years 2018 and 2017 are as follows.

(Unit: Baht)

	Scheduled flight operations	Charter flight operations	Other segments	Total segments	Adjustments and eliminations	Consolidated
<b>For the year ended</b>						
<b>31 December 2018</b>						
<b>Revenues</b>						
Revenues from sales and services from external customers	37,840,129,777	1,064,717,911	-	38,904,847,688	-	38,904,847,688
Intersegment revenues	-	-	31,250,000	31,250,000	(31,250,000)	-
<b>Total revenues</b>	<b>37,840,129,777</b>	<b>1,064,717,911</b>	<b>31,250,000</b>	<b>38,936,097,688</b>	<b>(31,250,000)</b>	<b>38,904,847,688</b>
<b>Operating result</b>						
<b>Segment loss</b>	(599,089,396)	(35,294,637)	(833,957)	(635,217,990)	-	(635,217,990)
Gain on exchange rate						250,401,861
Other income						1,044,957,237
Finance cost						(743,708,995)
<b>Loss before income tax</b>						<b>(83,567,887)</b>
Income tax revenue						210,926,772
<b>Profit for the year</b>						<b>127,358,885</b>
<b>Total assets</b>						<b>61,746,719,018</b>

(Unit: Baht)

	Scheduled flight operations	Charter flight operations	Other segments	Total segments	Adjustments and eliminations	Consolidated
<b>For the year ended</b>						
<b>31 December 2017</b>						
<b>Revenues</b>						
Revenues from sales and services from external customers	34,387,602,443	1,615,185,222	-	36,002,787,665	-	36,002,787,665
Intersegment revenues	-	-	25,000,000	25,000,000	(25,000,000)	-
<b>Total revenues</b>	<b>34,387,602,443</b>	<b>1,615,185,222</b>	<b>25,000,000</b>	<b>36,027,787,665</b>	<b>(25,000,000)</b>	<b>36,002,787,665</b>
<b>Operating result</b>						
<b>Segment profit</b>	1,915,283,996	114,957,353	251,465	2,030,492,814	-	2,030,492,814
Non-allocated cost						(6,148,075)
Gain on exchange rate						322,049,042
Other income						957,481,644
Finance cost						(653,183,898)
<b>Profit before income tax</b>						<b>2,650,691,527</b>
Income tax revenue						34,071,994
<b>Profit for the year</b>						<b>2,684,763,521</b>
<b>Total assets</b>						<b>62,773,564,947</b>

*Geographic information*

The Company and its subsidiary operate and have 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 2018 and 2017, the Company and its subsidiary have no major customer with revenue of 10 percent or more of an entity's revenues.

**29. 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 rules. The contributions for the year 2018 amounting to approximately Baht 124 million (2017: Baht 115 million) were recognised as expenses.

### 30. DIVIDENDS

#### The Company

(Unit: Baht)

Dividend	Approved by	Dividend paid	Dividend per share
Interim dividends for 2017	Board of Directors' Meeting on 9 November 2017	727,478,115	0.150
Total dividend for 2017		727,478,115	0.150
Interim dividends for 2018	Board of Directors' Meeting on 11 May 2018	969,984,780	0.200
	Board of Directors Meeting on 12 September 2018	654,729,644	0.135
Total dividends for 2018		1,624,714,424	0.335

#### Thai AirAsia Company Limited (the subsidiary)

(Unit: Baht)

Dividend	Approved by	Dividend paid	Dividend per share
Interim dividends for 2017	Board of Directors' Meeting on 9 November 2017	1,328,444,580	30.50
Total dividends for 2017		1,328,444,580	30.50
Interim dividends for 2018	Board of Directors' Meeting on 11 May 2018	1,785,777,960	41.00
	Board of Directors' Meeting on 12 September 2018	1,193,422,344	27.40
Total dividends for 2018		2,979,200,304	68.40

## 31. COMMITMENTS AND CONTINGENT LIABILITIES

### 31.1 Operating aircraft lease commitments

The subsidiary had the future aggregate minimum lease payment in respect of operating aircraft lease agreements made with AirAsia (Mauritius) Limited, a related company, and other lessors, and insurance agreements of aircraft and aircraft engines in respect of non-cancellable, as below.

(Unit: USD)

	Consolidated financial statements			
	2018		2017	
	Lease agreements	Insurance agreements	Lease agreements	Insurance agreements
Payable:				
In up to 1 year	165,455,844	2,186,958	146,254,409	1,731,785
In over 1 and up to 5 years	447,783,158	-	450,960,870	-
In over 5 years	231,310,984	-	154,582,432	-
Total	844,549,986	2,186,958	751,797,711	1,731,785
Total equivalent to Thai Baht	27,544,828,874	71,327,213	24,694,449,773	56,884,288

### 31.2 Aircraft maintenance service commitments

The subsidiary has commitments under aircraft maintenance service agreements made with AirAsia Berhad and AirAsia (Mauritius) Limited, which are 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.

### 31.3 Operating lease commitments

The subsidiary had the future minimum lease payments in respect of non-cancellable space, office, office equipment and ground support equipment leases as follows.

(Unit: Baht)

	Consolidated financial statements	
	2018	2017
Payable:		
In up to 1 year	196,314,881	143,864,226
In over 1 and up to 5 years	320,217,553	6,483,665
In over 5 years	82,390,295	-
Total	598,922,729	150,347,891

### 31.4 Guarantees

- 1) As at 31 December 2018, the subsidiary had guarantee obligations for pilot trainees' education loans from a bank for commercial pilot license courses amounting to Baht 65 million (2017: Baht 86 million) with the term of guarantees of 18 months from the start date of each loan agreement.
- 2) The subsidiary had commitments from letters of guarantee in respect of ground handling, technical support and other flight operating activities including maintenance reserve fund in the ordinary course of business as follows.

(Unit: Million)

	Consolidated financial statements										
	2018						2017				
	Baht	USD	MYR	SGD	EUR	INR	Baht	USD	MYR	SGD	INR
Guarantees relating to flight operating activities	9.40	0.74	1.00	1.81	-	81.82	7.90	0.60	1.00	1.81	83.36
Guarantees relating to maintenance reserve fund	-	50.18	-	-	-	-	-	42.23	-	-	-
Letter of credit relating to acquiring operating equipment	-	-	-	-	0.19	-	-	-	-	-	-
Total	9.40	50.92	1.00	1.81	0.19	81.82	7.90	42.83	1.00	1.81	83.36
Total equivalent to Thai Baht	9.40	1,660.75	7.91	43.49	7.12	40.53	7.90	1,406.85	8.17	44.76	45.45

### 32. FAIR VALUES HIERARCHY

As at 31 December 2018 and 2017, 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: Baht)

	Consolidated financial statements			
	2018		2017	
	Contract currency		Contract currency	
	USD	Baht	USD	Baht
<b>Assets for which fair value are disclosed</b>				
Derivatives				
Fuel price swap agreements	-	-	164,574,209	-
Interest rate swap agreements	129,165,612	-	95,847,815	-
Foreign exchange forward contracts	15,727,820	-	-	-



	Consolidated financial statements			
	2018		2017	
	Contract currency		Contract currency	
	USD	Baht	USD	Baht
<b>Liabilities for which fair value are disclosed</b>				
Derivatives				
Fuel price swap agreements	995,910,971	-	-	-
Interest rate swap agreements	-	43,893,249	-	65,881,468
Foreign exchange forward contracts	247,666,883	-	233,934,268	-
Cross currency swap agreements	86,753,139	-	79,991,180	-
Long-term borrowings from financial institutions	-	2,837,928,360	-	3,332,416,463
Debentures	-	4,091,474,283	-	1,624,836,995
Liabilities under finance lease agreements	-	13,219,322,423	-	14,530,955,916

During the years 2018 and 2017, there were no transfers within the fair value hierarchy.

### 33. FINANCIAL INSTRUMENTS

#### 33.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, amounts due from related parties, trade payables, other payables, amounts due to related parties, short-term borrowings from financial institutions, long-term borrowings from financial institutions, debentures, and liabilities under finance lease agreements. The financial risks associated with these financial instruments and how they are managed is described below.

##### *Fuel price risk*

The subsidiary is exposed to the fluctuation of fuel price. To manage the risk of fuel price fluctuation, AirAsia Berhad, a related party, is carried out the risk management on behalf of the subsidiary.

##### *Credit risk*

The subsidiary is exposed to credit risk primarily with respect to trade and other receivables and amounts due from related parties. The subsidiary manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the subsidiary does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and amounts due from related parties as stated in the statement of financial position.

### Interest rate risk

The Company and its subsidiary's exposure to interest rate risk relates primarily to its deposits at financial institutions, current investments, short-term borrowings from financial institutions, long-term borrowings from financial institutions, debentures and liabilities under finance lease agreements. Most of the financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The subsidiary uses interest rate swap agreements as a risk management instrument for the future interest payments on certain long-term borrowings and liabilities under finance lease agreements that carry interest at floating rates.

As at 31 December 2018 and 2017, significant financial assets and liabilities classified by type of interest rate are summarised in the table below.

(Unit: Million Baht)

	Consolidated financial statements				
	2018				
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>					
Cash and cash equivalent	233	1,870	2,020	4,123	0.25 - 3.05
Trade and other receivables	-	-	493	493	-
Amounts due from related parties	872	-	-	872	6.00
	1,105	1,870	2,513	5,488	
<b>Financial liabilities</b>					
Trade payables	-	-	160	160	-
Other payables	-	-	393	393	-
Amounts due to related parties	699	-	-	699	6.00
Short-term borrowings from financial institutions	650	-	-	650	2.40 - 3.25
Long-term borrowings from financial institutions	1,600	1,238	-	2,838	3.10 - 3.95
Debentures	4,095	-	-	4,095	2.56 - 3.28
Liabilities under finance lease agreements	5,647	7,572	-	13,219	3.46 - 6.00
	12,691	8,810	553	22,054	

(Unit: Million Baht)

Consolidated financial statements					
2017					
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
					(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalent	743	1,783	2,812	5,338	0.10 - 3.20
Current investments	1,489	-	-	1,489	1.20 - 1.70
Trade and other receivables	-	-	456	456	-
Amounts due from related parties	945	-	-	945	6.00
	3,177	1,783	3,268	8,228	
<b>Financial liabilities</b>					
Trade payables	-	-	311	311	-
Other payables	-	-	478	478	-
Amounts due to related parties	170	-	-	170	6.00
Long-term borrowings from financial institutions	1,982	1,350	-	3,332	2.76 - 3.13
Debentures	1,598	-	-	1,598	2.65 - 3.28
Liabilities under finance lease agreements	6,099	8,432	-	14,531	2.31 - 4.95
	9,849	9,782	789	20,420	

(Unit: Million Baht)

Separate financial statements					
2018					
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate
					(% p.a.)
<b>Financial assets</b>					
Cash and cash equivalent	-	31	55	86	0.37 - 0.38
	-	31	55	86	
<b>Financial liabilities</b>					
Other payables	-	-	1	1	-
	-	-	1	1	

(Unit: Million Baht)

	Separate financial statements				
	2017				
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
<b>Financial assets</b>					
Cash and cash equivalent	-	72	55	127	0.37 - 0.38
Trade and other receivables	-	-	1	1	-
	-	72	56	128	
<b>Financial liabilities</b>					
Other payables	-	-	1	1	-
	-	-	1	1	

As at 31 December 2018 and 2017, the subsidiary had outstanding interest rate swap agreements as follows.

Consolidated financial statements				
2018				
Currency	Contract amount (Million)	Interest rate		Maturity date
		Fixed (%)	Floating (%)	
Baht	2,702	4.66 - 5.09	THB FIX1M + 1.98 - 2.20, THB FIX6M + 2.25	10 Jul 19 - 10 Jun 26
US Dollar	104	2.24 - 4.21	USD LIBOR3M + 0.56 - 3.00	9 Nov 24 - 20 Jan 27

Consolidated financial statements				
2017				
Currency	Contract amount (Million)	Interest rate		Maturity date
		Fixed (%)	Floating (%)	
Baht	2,941	4.66 - 5.09	THB FIX1M + 1.98 - 2.20, THB FIX6M + 2.25	10 Jul 19 - 10 Jun 26
US Dollar	117	2.24 - 4.21	USD LIBOR3M + 0.56 - 3.00	9 Nov 24 - 20 Jan 27

Interest rate swap agreements are due for settlements of the differences in interest amount on a monthly basis.

### Foreign currency risk

The subsidiary'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 liabilities under finance lease agreements that are denominated in several foreign currencies.

As at 31 December 2018, the balances of financial assets and liabilities denominated in US Dollar which is major foreign currency are USD 39 million and USD 210 million, respectively (2017: USD 105 million and USD 203 million, respectively). Moreover, the subsidiary also has balances in other foreign currencies such as China Yuan, Singapore Dollar, Indian Rupee, Macao Pataca, Malaysian Ringgit, Viet Nam Dong, etc.

The subsidiary 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 subsidiary uses forward foreign exchange contract to hedge its exposure to foreign currency risk for payments to be settled in foreign currencies.

As at 31 December 2018 and 2017, foreign exchange contracts outstanding are summarised below.

Consolidated financial statements					
2018					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US Dollar	150	-	30.60 - 33.73	-	3 Jun 19 - 20 Jan 27

Consolidated financial statements					
2017					
Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US Dollar	203	-	33.12 - 33.73	-	29 Jan 18 - 20 Jan 27

The subsidiary entered into cross currency swap agreements in order to use it as a risk management instrument to manage on the foreign exchange rate and the fluctuation of interest rate in foreign currency.

As of 31 December 2018 and 2017, the subsidiary had the cross currency swap agreements as below.

Consolidated financial statements					
2018					
Currency	Amount per contract	Interest rate		Maturity date	
		Fixed	Floating		
	(Million)	(%)	(%)		
US Dollar	54	2.64 and 3.74	USD LIBOR3M + 0.70 and 1.95	10 Nov 25 and 30 Sep 28	

Consolidated financial statements				
2017				
Currency	Amount per contract (Million)	Interest rate		Maturity date
		Fixed (%)	Floating (%)	
US Dollar	59	2.64 and 3.74	USD LIBOR3M + 0.70 and 1.95	10 Nov 25 and 30 Sep 28

### 33.2 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, current investments, 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 2018 and 2017, 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: Baht)

	Consolidated financial statements			
	2018		2017	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
Long-term borrowings from financial institutions	2,837,928,360	2,837,928,360	3,332,416,463	3,332,416,463
Debentures	4,095,126,167	4,091,474,283	1,598,005,612	1,624,836,995
Liabilities under finance lease agreements	13,219,322,423	13,219,322,423	14,530,955,916	14,530,955,916

The methods and assumptions used by the subsidiary in estimating the fair value of financial instruments are as follows.

- For long-term borrowings from financial institutions and liabilities under finance lease agreements 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.
- For long-term borrowings from financial institutions and liabilities under finance lease agreements carrying floating interest rates, their fair value is estimated by book values in the statement of financial position.
- For debentures, fair value is derived from quoted market prices of the Thai Bond Market Association.

The fair value of the derivatives as of 31 December 2018 and 2017 as presented in Note 32 has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The subsidiary had considered to counterparty credit risk when determining the fair value of derivatives.

### 34. CAPITAL MANAGEMENT

The Company and its subsidiary's objectives for managing capital are to safeguard the Company and its subsidiary'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 Company and its subsidiary 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 subsidiary has also to maintain minimum capital investment as specified in each certificate.

### 35. RECLASSIFICATIONS

The Company and its subsidiary reclassified certain amounts in the comprehensive income statements for the year ended 31 December 2017 to conform to the current year's classifications, as follows.

(Unit: Baht)

	Consolidated financial statements	
	As reclassified	As previously reported
Revenues from sales and services	36,002,787,665	35,931,561,001
Other income	957,481,644	1,028,708,308

(Unit: Baht)

	Separate financial statements	
	As reclassified	As previously reported
Dividend income	730,644,367	-
Other income	2,176,087	732,820,454

The reclassifications had no effect to previously reported profit or shareholders' equity.

### 36. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2019.

# GRI CONTENT INDEX

GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions/ Remark	External Verification
<b>General Disclosures</b>				
GRI 102: General Disclosures 2016 (Organisational Profile)	102-1 Name of the organisation	28, 229	-	-
	102-2 Activities, brands, products, and services	32-42	-	-
	102-3 Location of headquarters	229	-	-
	102-4 Location of operations	229	-	-
	102-5 Ownership and legal form	28-29, 51-52	-	-
	102-6 Markets served	34	-	-
	102-7 Scale of the organisation	1-3, 32-42	-	-
	102-8 Information on employees and other workers	2, 132	Remark: No significant variation in employment numbers and changes during the reporting year.	-
	102-9 Supply Chain	39-40	-	-
	102-10 Significant changes to the organization and its supply chain	This page	Remark: No significant changes (i.e. location, operation, share capital structure, supply chain, etc.) during the reporting year.	-
	102-11 Precautionary principle or approach	47-50	-	-
102-12 External Initiatives	128-129, 145	-	-	
102-13 Membership or associations		Omission: Thai AirAsia is under process of data collection and will disclose the information in the future report.	-	

GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions/ Remark	External Verification
GRI 102: General Disclosures 2016 (Strategy)	102-14 Statement from senior decision- maker	12-17	-	-
	102-15 Key impacts, risks, and opportunities	12-17, 42-44, 47-50	-	-
GRI 102: General Disclosures 2016 (Ethics and Integrity)	102-16 Values, principles, standards, and norms of behaviour	41, 103-104	-	-
	102-17 Mechanisms for advice and concerns about ethics	105	-	-
GRI 102: General Disclosures 2016 (Governance)	102-18 Governance structure	64-65	-	-
	102-31 Review of economic, environmental, and social topics	118	-	-
	102-32 Highest governance body's role in sustainability reporting	118	-	-
GRI 102: General Disclosures 2016 (Stakeholder Engagement)	102-40 List of stakeholder groups	134-137	-	-
	102-41 Collective bargaining agreements	This page	Remark: Thai national legislation does not require the companies to have labour union. However, AirAsia has Welfare Committee that articulates voices and needs of employees.	-
	102-42 Identifying and selecting stakeholders	134-137	-	-
	102-43 Approach to stakeholder engagement	134-137	-	-
	102-44 Key topics and concerns raised	134-137	-	-



GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions/ Remark	External Verification
GRI 102: General Disclosures 2016 (Reporting Practice)	102-45 Entities included in the consolidated financial statements	51-53, 229	-	-
	102-46 Defining report content and topic Boundaries	118	-	-
	102-47 List of material topics	118	-	-
	102-48 Restatements of information	This page	Remark: No restatement in 2018	-
	102-49 Changes in reporting	This page	Remark: No significant changes in scope and boundary from previous reporting periods.	-
	102-50 Reporting period	This page	The information disclosed in this report covers the period from 1 January 2018 - 31 December 2018	-
	102-51 Date of most recent report	This page	Remark: Most recent previous report is Annual Report and Sustainability Report 2017.	-
	102-52 Reporting cycle	This page	Remark: Thai AirAsia publishes Sustainability Report annually.	-
	102-53 Contact point for questions regarding the report	229	-	-
	102-54 Claims of reporting in accordance with the GRI Standards	This page	This report has been prepared in accordance with the GRI Standards: Core option	-
	102-55 GRI content index	225-228	-	-
	102-56 External assurance	This page	Remark: No external assurance in AirAsia Sustainability Report 2018	-

GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions/ Remark	External Verification
<b>Materials Topics</b>				
<b>Corporate Governance</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	146-147	-	-
	103-2 The management approach and its components	146-147	-	-
	103-3 Evaluation of the management approach	146-147	-	-
Topic specific indicator	102-16 Values, principles, standards, and norms of behaviour	41, 103-104	-	-
<b>Risk and Crisis Management</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	47	-	-
	103-2 The management approach and its components	47	-	-
	103-3 Evaluation of the management approach	114	-	-
Topic specific indicator	102-30 Effectiveness of risk management processes	146-147	-	-
<b>Stakeholder Engagement</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	138-139	-	-
	103-2 The management approach and its components	138-139	-	-
	103-3 Evaluation of the management approach	140-145	-	-

GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions/ Remark	External Verification
<b>Safety and Health</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	119-120	-	-
	103-2 The management approach and its components	119-120	-	-
	103-3 Evaluation of the management approach	121	-	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	119-123	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	119-123	-	-
	403-3 Occupational health services	119-123	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	119-123	-	-
	403-5 Worker training on occupational health and safety	119-123	-	-
	403-6 Promotion of worker health	119-123	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	119-123	-	-

GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions/ Remark	External Verification
<b>Service Efficiency</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	125	-	-
	103-2 The management approach and its components	125-127	-	-
	103-3 Evaluation of the management approach	127	-	-
AirAsia's Own Indicator	Passenger Satisfaction Score	127	-	-
	Percentage of food waste	-	Omission: Thai AirAsia have set KPI(s) on this topic. We are currently under process of data collection and will disclose the information in the future report.	-
<b>Operational Efficiency (Energy Consumption &amp; Fuel Management)</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	128-129	-	-
	103-2 The management approach and its components	128-129	-	-
	103-3 Evaluation of the management approach	128-131	-	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	-	Omission: Thai AirAsia is under process of data collection and will disclose the information in the future report.	-
	305-2 Energy indirect (Scope 2) GHG emissions	-	Omission: Thai AirAsia is under process of data collection and will disclose the information in the future report.	-
	305-4 GHG emissions intensity	-	Omission: Thai AirAsia is under process of data collection and will disclose the information in the future report.	-

GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions/ Remark	External Verification
GRI 302: Energy2016	302-1 Energy consumption within the organisation	-	Omission: Thai AirAsia is under process of data collection and will disclose the information in the future report.	-
AirAsia's Own Indicator	Percentage of flights that implement One Engine Taxi Departure Procedure	128	-	-
	Percentage of flights with Reduce Flap Landing	129	-	-
	Percentage of flights with Idle Reverse Landing	129	-	-
	Hours of Auxiliary Power Units usage per fleet	130	-	-
	<b>Talent Attraction and Retention</b>			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	132-133	-	-
	103-2 The management approach and its components	132-133	-	-
	103-3 Evaluation of the management approach	132-133	-	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	132	-	-
AirAsia's Own Indicator	No. of trained employee by position and geographical location	132	-	-

GRI Standard	Disclosure	Page number (s) and/or URL (s)	Omissions/ Remark	External Verification
<b>Community Investment</b>				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	138-139	-	-
	103-2 The management approach and its components	138-139	-	-
	103-3 Evaluation of the management approach	138-139	-	-
AirAsia's Own Indicator	Increased revenues for locals	140-141	-	-
	Increased tourists for locals	140-141	-	-

# ข้อมูลทั่วไปและข้อมูลสำคัญอื่น

## ข้อมูลทั่วไปของบริษัท

ชื่อบริษัท	บริษัท เอเชีย เอวิเอชั่น จำกัด (มหาชน) (ชื่อย่อ "AAV")
ประเภทธุรกิจ	ประกอบธุรกิจด้านการลงทุนโดยการถือหุ้นในบริษัท (Holding Company) ที่ประกอบธุรกิจสายการบิน ราคาประหยัด หรือธุรกิจอื่นที่เกี่ยวข้องกับสายการบิน
คะแนนการกำกับดูแลกิจการ ที่ตั้งสำนักงานใหญ่	ดีมาก 222 ท่าอากาศยานดอนเมือง อาคารส่วนกลางชั้น 3 ห้องหมายเลข 3200 ถนนวิภาวดีรังสิต แขวงสนามบิน เขตดอนเมือง กรุงเทพฯ 10210 โทรศัพท์: 02-562-5700 โทรสาร: 02-562-5705
เว็บไซต์	www.aavplc.com
เลขทะเบียนบริษัท	0107554000313
ทุนจดทะเบียนและ ทุนที่ออกและชำระแล้ว	หุ้นสามัญจำนวน 4,850,000,000 หุ้น มูลค่าที่ตราไว้หุ้นละ 0.10 บาท รวมมูลค่า 485,000,000 บาท
ณ วันที่ 31 ธันวาคม 2561	

## ข้อมูลทั่วไปของบริษัทย่อย

ชื่อบริษัทย่อย	บริษัท ไทยแอร์เอเชีย จำกัด
ประเภทธุรกิจ	ประกอบธุรกิจสายการบินราคาประหยัด หรือธุรกิจอื่นที่เกี่ยวข้องกับสายการบิน
ที่ตั้งสำนักงานใหญ่	222 ท่าอากาศยานดอนเมือง อาคารส่วนกลางชั้น 3 ห้องหมายเลข 3200 ถนนวิภาวดีรังสิต แขวงสนามบิน เขตดอนเมือง กรุงเทพฯ 10210 โทรศัพท์: 02-562-5700 โทรสาร: 02-562-5705
ทุนจดทะเบียนและ ทุนที่ออกและชำระแล้ว	หุ้นสามัญจำนวน 43,555,560 หุ้น มูลค่าที่ตราไว้หุ้นละ 10 บาท รวมมูลค่า 435,555,600 บาท ร้อยละ 55.0
ณ วันที่ 31 ธันวาคม 2561	
สัดส่วนการถือหุ้น	

## ข้อมูลของบุคคลอ้างอิง

นายทะเบียนหลักทรัพย์	บริษัท ศูนย์รับฝากหลักทรัพย์ (ประเทศไทย) จำกัด อาคารตลาดหลักทรัพย์แห่งประเทศไทย 93 ถนนรัชดาภิเษก เขตดินแดง กรุงเทพฯ 10400 โทรศัพท์: 02-009-9999 โทรสาร: 02-009-9991 เว็บไซต์: www.tsd.co.th
ผู้สอบบัญชี	บริษัท สำนักงาน ฮิวาย จำกัด ชั้น 33 อาคารเลคริงดา 193/136-137 ถนนรัชดาภิเษก เขตคลองเตย กรุงเทพฯ 10110 โทรศัพท์: 02-264-9090 โทรสาร: 02-264-0789-90 เว็บไซต์: www.ey.com

อนึ่ง ผู้ลงทุนสามารถศึกษาข้อมูลของบริษัทที่ออกหลักทรัพย์เพิ่มเติมได้จากแบบแสดงรายการข้อมูลประจำปี (แบบ 56-1) ของบริษัทที่แสดงไว้ใน [www.sec.or.th](http://www.sec.or.th) หรือ [www.aavplc.com](http://www.aavplc.com)

# 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-fare airline or relevant business in relation to airline operation
CG Scoring	Very Good
Head office	222, Don Mueang International Airport, 3 <sup>rd</sup> Fl., Central Office Bldg., Room no. 3200, Vibhavadee Rangsit Road, Sanambin, Don Mueang, Bangkok 10210 Tel: 02-562-5700 Fax: 02-562-5705 www.aavplc.com
Website	www.aavplc.com
Registration number	0107554000313
Authorised and paid-up capital as at 31 December 2018	Common stock of 4,850,000,000 shares at the par value of Baht 0.10 amounted Baht 485,000,000

## Subsidiary's General Information

Subsidiary name	Thai AirAsia Company Limited
Type of business	A low-fare airline or relevant business in relation to airline operation
Head office	222, Don Mueang International Airport, 3 <sup>rd</sup> 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 2018	Common stock of 43,555,560 shares at the par value of Baht 10 amounted Baht 435,555,600
Shareholding	55.0%

## 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 33 <sup>rd</sup> Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110 Tel: 02-264-9090 Fax: 02-264-0789-90 Website: www.ey.com

Investors can study more information from the company's annual registration statement (Form 56-1) from [www.sec.or.th](http://www.sec.or.th) or [www.aavplc.com](http://www.aavplc.com)

## **บริษัท เอเชีย เอวิเอชั่น จำกัด (มหาชน)**

222 ท่าอากาศยานดอนเมือง อาคารส่วนกลาง  
ชั้น 3 ห้องหมายเลข 3200 ถนนวิภาวดีรังสิต  
แขวงสนามบิน เขตดอนเมือง กรุงเทพฯ 10210  
โทรศัพท์ : 02-562-5700  
โทรสาร : 02-562-5705

## **ASIA AVIATION PUBLIC COMPANY LIMITED**

222 Don Mueang International Airport, Central Office Building,  
3<sup>rd</sup> Floor, Room 3200, Vibhavadee Rangsit Road,  
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Tel : 02-562-5700  
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