



NEVER STOP BEING STRONG

ONE REPORT 2021

ASIA AVIATION PUBLIC COMPANY LIMITED

SERVICE



Affirm ourselves as a low-fare airline that offers international service quality, on-time performance, employs technological innovations, emphasizing our care towards observing the most stringent safety standards on every flight.

SUPER APP



airasia Super App is an all in one platform with a growing number of Travel, Lifestyle and Rewards offerings for everyday needs and access to vast amounts of data to provide customised offerings for customers including flights, accommodations, food delivery, parcel service and more while also being an affirmation of our constant adaptation and seeking of new business opportunities.

SUSTAINABILITY



With a strong foundation and effective management across the economic, social, and environmental dimensions, AirAsia will continue to grow sustainably regardless of the challenges it may face.



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HIGHLIGHTED ACCOLADES (GRI 102-12)



World Best Low-Cost Airline
(12th consecutive year) by Skytrax



SET THSI 2021
by The Stock Exchange of Thailand



Top 3
"Most On-Time Low-Cost Carriers"
by Cirium



The Best of SHA
(Safety and Health Administration)
Awards by the Tourism Authority of
Thailand (TAT)

Category : Air Transportation



Achieved Highest Safety
Standard 7/7
by airlineratings.com



HIGHLIGHTED ACCOLADES (GRI 102-12)



**Airline Strategy Awards
2021 by FlightGlobal**

Category : Business Innovation Award



**2021 Thailand's Most Admired
Brand by Brandage Magazine**

Category : Low-Cost Airline



World Travel Awards 2021



**The Most Powerful Brands of
Thailand 2021 by Chulalongkorn
Business School**

Category : Automotive (Airline)



**The Best Crisis Management
(Small Cap) for IR (Investor Relations)
by IR Magazine Forum & Awards
South East Asia 2021**



**Best Low-Cost Airline
(10th consecutive year)
by Business Traveller Asia Pacific**



**World's Leading Low-Cost Airline
(9th consecutive year)**

**World's Leading Low-Cost Airline
Cabin Crew (5th consecutive year)**



**Asia's Leading Low-Cost
Airline 2021**

**Asia's Leading Low-Cost
Airline Cabin Crew 2021**



KEY FINANCIAL AND OPERATING DATA (GRI 102-7, 102-8)



Aircraft
60



Load Factor
68
%



On-time Performance
97
%



Ancillary Revenues
651
Million Baht



Passenger Carried
2.9
Million



Allstars
5,003
Persons



Average Stage Length
688
Kilometres Per Flight



Aircraft Utilisation
5.6
Flight Hours Per Day Per Aircraft

COST BREAKDOWN OF 2021



Depreciation & Amortisation
40%



Salaries & Wages
16%



Repair & Maintenance
12%



Fuel
10%



Finance
9%



SG & A
7%



Others
6%



FINANCIAL HIGHLIGHTS

(GRI 102-7)

(Unit: Million Baht)

For the year ended 31 December	2019	2020 ⁽¹⁾	2021
Statement of Comprehensive Income			
Revenues from sales and services	40,181	13,634	3,828
Profit (loss) from operating activities	(122)	(7,551)	(11,851)
Profit (loss) attributable to owners of the Company	(474)	(4,764)	(6,647)
Statement of Financial Position			
Total assets	62,903	67,978	71,208
Total liabilities	35,214	50,618	54,379
Equity attributable to owners of the Company	19,944	14,266	20,201
Total equity	27,689	17,360	16,829
Statement of Cash Flows			
Net cash flows from (used in) operating activities	966	(898)	(4,347)
Net cash flows from (used in) investing activities	(1,794)	12,064	1,284
Net cash flows from (used in) financing activities	829	(14,031)	7,314
Net increase (decrease) in cash and cash equivalents	1	(2,865)	4,250
Key Financial Ratios			
Net profit (loss) margin (%) ⁽²⁾	(1.2)	(34.9)	(173.6)
Return on assets (%) ⁽³⁾	(0.8)	(7.3)	(9.6)
Return on equity (%) ⁽⁴⁾	(2.3)	(27.9)	(38.6)
Basic earnings (loss) per share (Baht)	(0.0977)	(0.9823)	(1.2985)
Diluted earnings (loss) per share (Baht)	(0.0977)	(0.9823)	(1.2833)

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

2.54

As of December 30, 2021 (Baht)

46.86

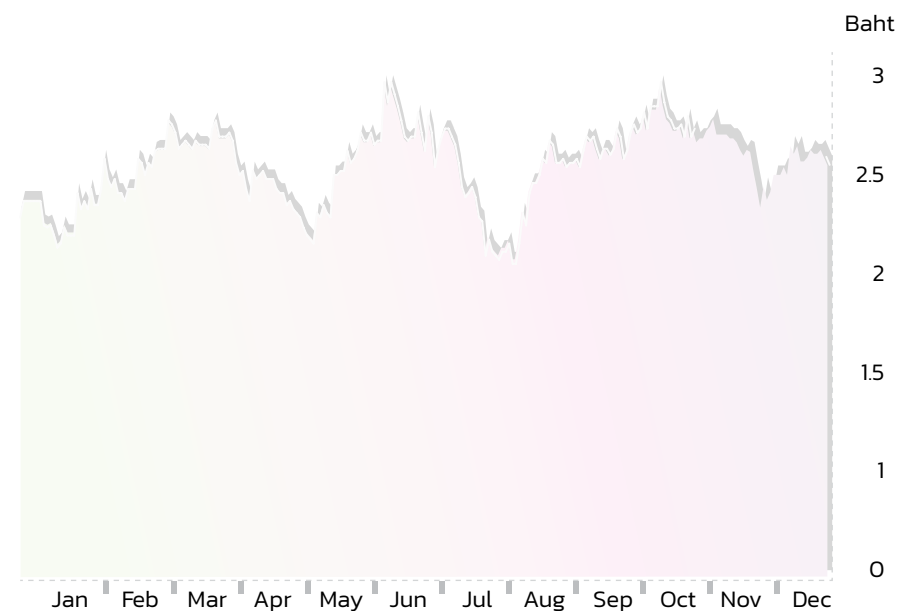
Average Trading Volume (Million Shares)

2.05-2.95

52 Weeks Price (Baht)

2.25-786.75

52 Weeks Trading Volume (Million Shares)





MESSAGE FROM THE CHAIRMAN (GRI 102-14)

Dear Shareholders,

It is well understood that the aviation business has been directly impacted by the COVID-19 pandemic that has continued for two years now. In our 2019 report, I bid all of our shareholders **“Healthy and Longevity”** and I believe that over the past two years, all of us here have held on firmly to our “health” with determination to be ready to return to full service as soon as the opportunity presents itself, believing that our good mental and physical health will bring about **“longevity”** for our company.

The year 2021 continued to be turbulent for us, with COVID-19 persisting and buying power faltering in line with the contracting economy. While these circumstances were unavoidable, our executives and Allstars maintained their resolve and kept our flight steady, using their extensive experience and training to lead us through the storm to safer horizons.

While 2021 was a year of challenges, our board, executives, and staff never lost faith that the storm would soon subside. We were disciplined and kept to our plans. We restructured our operations and finances appropriately, and even successfully restructured our shareholding to add over Baht 14 billion in liquidity. Moreover, we added new and knowledgeable members to our board and established the airasia Super App, transforming our company to become more than just an airline, all the while sustaining the excellent management that allowed us to be listed on the Stock Exchange of Thailand’s Thailand Sustainability Investment (THSI) index for the third consecutive year.

We may have hit a “Pause” on some of our aspirations but we never hit a “Stop”. We have remained ready to return and continued to uphold our foundation of efficient management and deliver quality service to our customers. We stand as ready as ever to fly forward, grow sustainably and expand our profits.

Vichate Tantiwanich
Chairman of the Board

If we were to plot the COVID-19 crisis on a V-shaped graph, I believe we have passed its lowest point. Nonetheless, we will remain vigilant and we will tackle every obstacle even as the skies become clear.

“Healthy and Longevity” are the true marks of a company’s sustainability. Our spirit remains strong and we will be hitting a “Play” once again in 2022, mobilising the longstanding principles that have navigated us through many crises.

I thank our board, executives, Allstars, customers, partners, investors, and all of our stakeholders who have stayed by our side and will be striding forward with us. Please rest assured that with our strong foundations, we will remain an attractive investment that will continue to grow sustainably.



Our extensive experience and training have led us through the storm to safer horizons.



MESSAGE FROM THE EXECUTIVE CHAIRMAN

(GRI 102-14)



The year 2021 marked two years that our company was impeded by the COVID-19 pandemic. While we had learned many lessons and made many changes, countless challenges continued to present throughout the year and enforces us to get through them.

Our most urgent and critical matter was finding the best way to enhance our liquidity so we could return to growth. After I repeatedly assured everyone Thai AirAsia would “make it”, we were able to successfully restructure our operations and secured needed liquidity by the end of the year.

I wish to thank all of our staff for their dedication and hard work, and our shareholders and investors for their confidence and belief that AAV would return with strength when the opportunity arose. We saw wonderful support throughout our restructuring, from the Rights Offering to the Private Placement and the convertible bonds sale.

This restructuring took place at just the right time as 2022 is set to be a year of recovery. Circumstances are improving and we will be the first to start growing and competing when the possibility unfolds.

The lessons we learned over the past two years have made us stronger and I am committed that I will be directing our company towards recovery as soon as possible, as a gratitude to everyone who has persevered with us.

I am committed that I will be directing our company towards recovery as soon as possible.

Tassapon Bijleveld
Executive Chairman



MESSAGE FROM CHIEF EXECUTIVE OFFICER (GRI 102-14)

Being a market leader has required us to think beyond mere survival. We have had to maintain our aircraft fleet and workforce while also operating with the utmost efficiency so that when opportunities begin to return, we will be fully ready to act, compete and seize those opportunities to again grow by leaps and bounds.

After having operated amid the COVID-19 pandemic for the second year, we have fortified both our bodies and minds with short and long term plans to ensure our stability and continued sustainable growth. We have created new business opportunities such as cargo transport, extended our customer base to the lifestyle segment by offering various new services on airasia Super App, enhanced our brand value, and unceasingly adopted technological innovations to improve the quality of our service.

Our company's recovery began in Quarter 4 of 2021, when we reinstated all of our domestic routes and domestic cross-regional connections. At the same time, our cooperation with public and private partners in the tourism industry resulted in a rejuvenation of travel sentiment. Most importantly, we began to once again resume international flights in December, sending a signal of hope throughout the tourism sector.

Santisuk Klongchaiya
Chief Executive Officer

**When opportunities begin to return,
we will be fully ready to act, compete and
seize those opportunities to again grow
by leaps and bounds.**

The year 2022 is set to be a year of recovery as we believe **“Nothing can compensate leisure travel”** and expect domestic travel to return to pre-COVID-19 levels while we continue to bring international flights back into service. Certainly, we will be the most ready as a leading company in the market.

Allow me to extend my gratitude to our staff and executives for both their sacrifice and unified vision, as well as thank you to our passengers for their support and encouragement. With sustained energy and motivation, we will continue to be a leader and even grow beyond being just an airline. We await to see AirAsia fully return to the skies again very soon.





BOARD OF DIRECTORS **Asia Aviation Plc. and Thai AirAsia Co., Ltd.**



Mr. Vichate Tantiwanich

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



Mr. Veerayooth Bodharamik

Director / Independent Director /
Audit Committee



Mr. Dinesh Nambiar

Director / Independent Director /
Audit Committee



Mr. Tassapon Bijleveld

Director



Mr. Santisuk Klongchaiya

Director



Mr. Phairat Pornpathananagoon

Director



BOARD OF DIRECTORS **Asia Aviation Plc. and Thai AirAsia Co., Ltd.**



Dato' Mohamed Khadar Bin Merican
Director



Mr. Tarumalingam A/L Kanagalingam
Director



Mr. Rozman Bin Omar
Director



Mr. Nuttawut Phowborom
Director



Mr. Sirot Setabandhu
Director / Independent Director



Mr. Yuthapong Ma
Director



MANAGEMENT TEAM **Asia Aviation Plc.**



1

Mr. Tassapon Bijleveld
Executive Chairman



2

Mr. Santisuk Klongchaiya
Chief Executive Officer



3

Mr. Phairat Pornpathananagoon
Chief Financial Officer



MANAGEMENT TEAM **Thai AirAsia Co., Ltd.**



1

Mr. Tassapon Bijleveld
Executive Chairman



2

Mr. Santisuk Klongchaiya
Chief Executive Officer



3

Mr. Phairat Pornpathananagoon
Chief Financial Officer



4

Mr. Banyat Hansakul
Head of Engineering



5

Miss Witchunee Kuntapeng
Head of Guest Service



MANAGEMENT TEAM **Thai AirAsia Co., Ltd.**



6

Mr. Pipat Khunprakan

Head of Innovation Commercial
and Technology



7

Miss On-anong Methapipatkul

Head of Inflight Services



8

Mr. Chatupong Hongwiset

Head of Ramp and Ground Service
Equipment



9

Sqn.Ldr. Damrong Phaspipatkul

Head of Flight Operation



10

Mr. Bandit Pornsarote

Head of Operational Quality Assurance



11

Mr. Krid Pattanasan

Head of Government Relations



PUBLIC RELATIONS ACTIVITIES 2021



AirAsia Now Flying Direct to Maldives and Phnom Penh!

AirAsia is returning to international service in the fourth quarter after being obstructed by the COVID-19 situation, starting with two routes, Bangkok (Don Mueang) to the Maldives and Bangkok (Don Mueang) to Phnom Penh, Cambodia. Both routes have already been well received.



airasia Super App Introduces **airasia** for Delivery food

Responding to current circumstances and changing consumer behaviors, airasia Super App is introducing AirAsia Food, a delivery service sending delicious meals straight to customers across all 50 districts of Bangkok, with constant promotions promised.

AirAsia Continues to Receive Accolades Amid Crisis Circumstances

Unceasing adaptation and development by AirAsia Group has earned it another year full of accolades, including “Best Low-Cost Airline in the World” for a 12th consecutive year from Skytrax, the “Business Innovation Award” from FlightGlobal, the “Most Powerful Brand” award from Chulalongkorn University and inclusion for a third year



Upgraded Hygiene Measures for Assured Service

With health and safety the priority, Thai AirAsia has fully vaccinated all of its staff. Hygiene protocols have also been enhanced to include screening of passengers according to the requirements of their destination and regular disinfection of cabins and contact surfaces. Moreover, innovations have been adopted to further reduce contact and deter the spread of COVID-19.



PUBLIC RELATIONS ACTIVITIES 2021



Legendary #FlyRuaRuaPass
"travel pass Returns!"

After its overwhelming reception last year, AirAsia has brought back the #FlyRuaRuaPass travel pass for only 3,599THB. Set to stimulate local economies nationwide, all 80,000 privileges were quickly snatched up by travelers now able to fly unlimited on domestic routes, including domestic cross-regional connections

AirAsia Joins Forces with Tourism Sector to Support "Phuket Sandbox"



AirAsia joined forces with the Tourism Authority of Thailand and key private sector tourism businesses to support the "Phuket Sandbox" policy aimed at reopening the nation, backing domestic tourism under stringent health measures and applauding the policy's positive signal for recovery in Thailand's tourism economy.



AirAsia Creates Business Opportunities by Entering Cargo Market

AirAsia joins Teleport, transport and logistics joint venture company, to unveil its first ever cargo aircraft and herald its entry into the Asian cargo industry. The development brings new opportunities and revenue capabilities, enhancing the carrier's capacity for sustainable growth.

Easily Book Flights with Over 700 Carriers using airasia Super App



airasia Super App joins hands with partners in the aviation and hospitality industries to now offer ticket booking with over 700 leading airlines from across the world, presenting travelers with more than 3,000 destinations in an affirmation that it is the most comprehensive travel and lifestyle platform.





INVESTOR RELATIONS ACTIVITIES 2021

19 January

THAILAND C-SUITE CORPORATE DAY

Virtual Conference

25 February
FY2020 AAV RESULTS
ANNOUNCEMENT

28 February
FY2020 AAV RESULTS BRIEFING
Virtual Conference

9 March

CITIC CLSA ASEAN ACCESS MONTH

Virtual Conference

22 April

ANNUAL GENERAL MEETING OF
SHAREHOLDERS

Thai AirAsia Head Office, Foxtrot and Golf
Meeting Room

23 April

JP MORGAN ASEAN TRAVEL DAY

Virtual Conference

27 April

AAV OPEN HOUSE

Virtual Conference

THE Q1/2021 RESULTS
ANNOUNCEMENT

14
May

THE Q3/2021 RESULTS
ANNOUNCEMENT

11
November

17
May

THE Q1/2021 RESULTS
BRIEFING

Virtual Conference

15
November

THE Q3/2021 RESULTS
BRIEFING

Virtual Conference

13 August

THE Q2/2021 RESULTS
ANNOUNCEMENT

16 August

THE Q2/2021 RESULTS
BRIEFING

Virtual Conference

AAV OPEN HOUSE

Virtual Conference

21
October



7 December

IR MAGAZINE
FORUM & AWARDS
2021

Virtual Conference





KEY MILESTONES OF ASIA AVIATION AND THAI AIRASIA (GRI 102-10)

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.

2007

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

2010

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

2013

Thai AirAsia reopened hub in Chiang Mai.

2015

Thai AirAsia rewarded The Best of Airline from The Best of Thailand Awards Voted by Chinese Tourists.

2006

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

2009

← GATE CHECK IN →

Thai AirAsia launched new hub in Phuket.

2012

- Asia Aviation listed on 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.

2014

Thai AirAsia rewarded The World Best LCC's OTP in 2013 from Flightstats.



KEY MILESTONES OF ASIA AVIATION AND THAI AIRASIA

2017

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

2019

- Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2019
- Asia Aviation won Best IR Website of the Southeast Asia
- Thai AirAsia received Airbus A321 neo aircraft, the two first of its kind in Thailand.

2021

- The company's Board of Directors has approved Asia Aviation and Thai AirAsia's shareholding restructuring plan
- Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2021
- Asia Aviation won Best Crisis Management of the Southeast Asia



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

- Asia Aviation received the 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 launched new hub in Suvarnabhumi International Airport.
- Asia Aviation listed in the Thailand Sustainable Investment (THSI) of 2020
- Asia Aviation won Best Annual Report of the Southeast Asia

Asia Aviation completed acquisition of all Thai AirAsia shares

2016

2018

2020

2022



COMPANY POLICY AND BUSINESS OVERVIEW

(GRI 102-1, 102-16)



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

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

Thai AirAsia has the vision of being the leading sustainable travel technology company in Asia, providing more than just affordable flights. Besides, we have the mission to provide the highest quality product, embracing technology to reduce cost, enhance service, to care for all our stakeholders, Allstars, guests, business partners, investors, 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 service on short-haul international and domestic routes within the four and a half hours flight time

from our hubs in Bangkok (Don Mueang International Airport), Bangkok (Suvarnabhumi Airport), Phuket, and Chiang Mai. These give us access to the population in Southeast Asia, South Asia, and the southern part of China and Japan. Thai AirAsia provides service to passengers who are leisure air travel passengers and also 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-family fleet configuration, point-to-point operations, high aircraft utilisation, scale, distribution channels, AirAsia Rewards 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 expand continuously our operations since Thai AirAsia 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 percent during that period.

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

In November 2011, Asia Aviation acquired an additional 1 percent shareholding from Mr. Tassapon Bijleveld and held 51 percent in Thai AirAsia. Asia Aviation then became 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 the 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 55 percent in Thai AirAsia.

Thai AirAsia, a joint venture between Asia Aviation, who held 51 percent shareholding in Thai AirAsia (Pre-IPO), and AirAsia Aviation Group Limited (“AAAGL”) (formerly AirAsia Investment Ltd.), who held 49 percent, is incorporated on September 19, 2003 to operate a low-fare airline business with a registered capital of Baht 400,000,000. AAAGL is a holding company wholly owned by AAB. 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 percent while AAAGL was diluted to 45 percent.

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

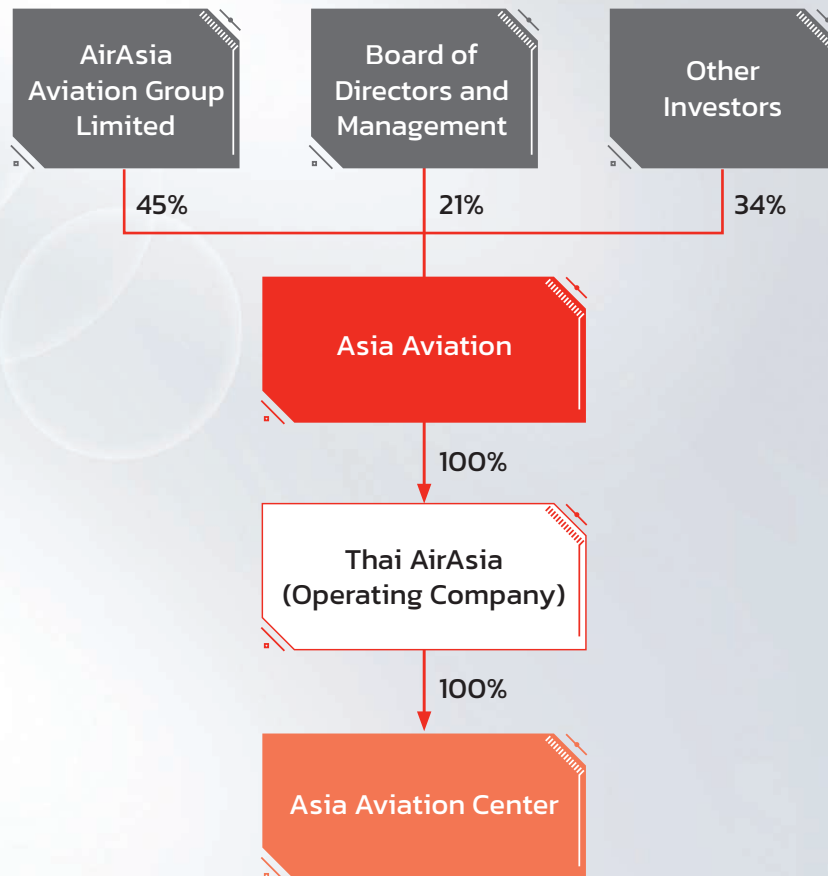
Thai AirAsia has established, a wholly-owned subsidiary, Asia Aviation Center Company Limited on January 27, 2021, to be the academy institution of learning and competency development for aviation tourism, and hospitality industries.

Asia Aviation has begun the Shareholding Restructuring Plan. On December 8, 2021 Asia Aviation increased share capital in Thai AirAsia in the amount of Baht 3,900 million and increased its shareholding in Thai AirAsia from 55.0 percent to 69.2 percent and purchased the remaining 30.8 percent of the shares to solely hold the shares in Thai AirAsia on January 20, 2022.



Investment Structure

Investment structure as of January 31, 2022 is as following;



Business Operation of Thai AirAsia Relies on Its Relationship with Capital A Berhad

Thai AirAsia has supports from Capital A 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 online sales channels from AirAsia Com Travel Sdn Bhd (“AACOM”) and the support department from AirAsia Sea Sdn. Bhd. (“AASEA”). The company’s main software was centred in Kuala Lumpur, Malaysia.

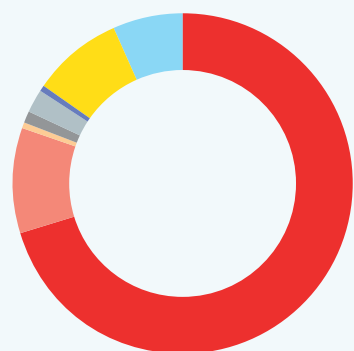
Thai AirAsia also has access to spare parts kept and aircraft maintenance services provided by AAB and Asia Digital Engineering Sdn. Bhd. (“ADE”), a subsidiary of AAB. Likewise, Thai AirAsia benefits from airport ground services provided by members of Capital A in certain airports, as well as, other services such as fuel hedging, ticket reservation software and airasia rewards. 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.



NATURE OF BUSINESS

(GRI 102-2, 102-6)

As Asia Aviation is a holding company which currently makes an investment only in Thai AirAsia and has no revenue generating from other business. Thus, the revenue breakdown shall be considered at the operating company level or Thai AirAsia. Revenue breakdown of Thai AirAsia according to the financial statements ended December 31, 2019 to 2021 is shown with details below.



● 70.4%	Passenger service revenues
● 10.3%	Baggage handling and other service fees
● 0.4%	Charter flight revenues
● 1.3%	In-flight revenues
● 2.4%	Freight revenues
● 0.1%	Advertising revenues
● 8.7%	Gain on derivatives
● 6.4%	Other income

Revenue Breakdown	For the year ended 31 December					
	2019		2020		2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
REVENUES FROM SALES AND SERVICES						
Passenger service revenues	31,506.4	75.9	11,123.4	68.5	3,174.2	70.4
Baggage handling and other service fees	6,599.4	15.9	1,902.8	11.7	464.1	10.3
Charter flight revenues	1,174.8	2.8	252.9	1.6	16.3	0.4
In-flight revenues	589.0	1.4	201	1.2	61.7	1.3
Freight revenues	286.8	0.7	146.4	0.9	109.4	2.4
Advertising revenues	24.2	0.1	7.3	0.1	2.8	0.1
TOTAL REVENUES FROM SALES AND SERVICES	40,180.6	96.8	13,633.8	84.0	3,828.5	84.9
OTHER REVENUES						
Gain on disposals of aircraft and leasehold improvements	-	-	1,331.8	8.2	-	-
Gain on exchange	350.5	0.8	545.6	3.3	-	-
Gain on derivatives	-	-	-	-	391.2	8.7
Other income	998.1	2.4	725.1	4.5	287.8	6.4
TOTAL OTHER REVENUES	1,348.6	3.2	2,602.5	16.0	679.0	15.1
TOTAL REVENUES	41,529.2	100.0	16,236.3	100.0	4,507.5	100.0

Asia Aviation and Thai AirAsia's Business

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

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

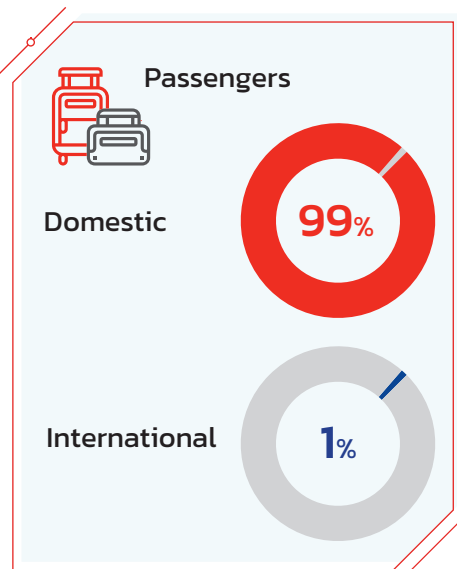
1. Scheduled Passenger Services

Thai AirAsia provides scheduled passenger air travel services at the fares lower than the one offered by full-service airlines. However, such tickets 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 (“OTP”), and our punctuality remains outstanding in the industry at 97 percent of our flights in 2021 (which measures the proportion of flights departing within 15 minutes of the scheduled departure time).

In 2021, the number of passengers carried was at 2.93 million passengers, 99 percent of which were passengers on the domestic routes, and 1 percent of which were passengers on the international routes.



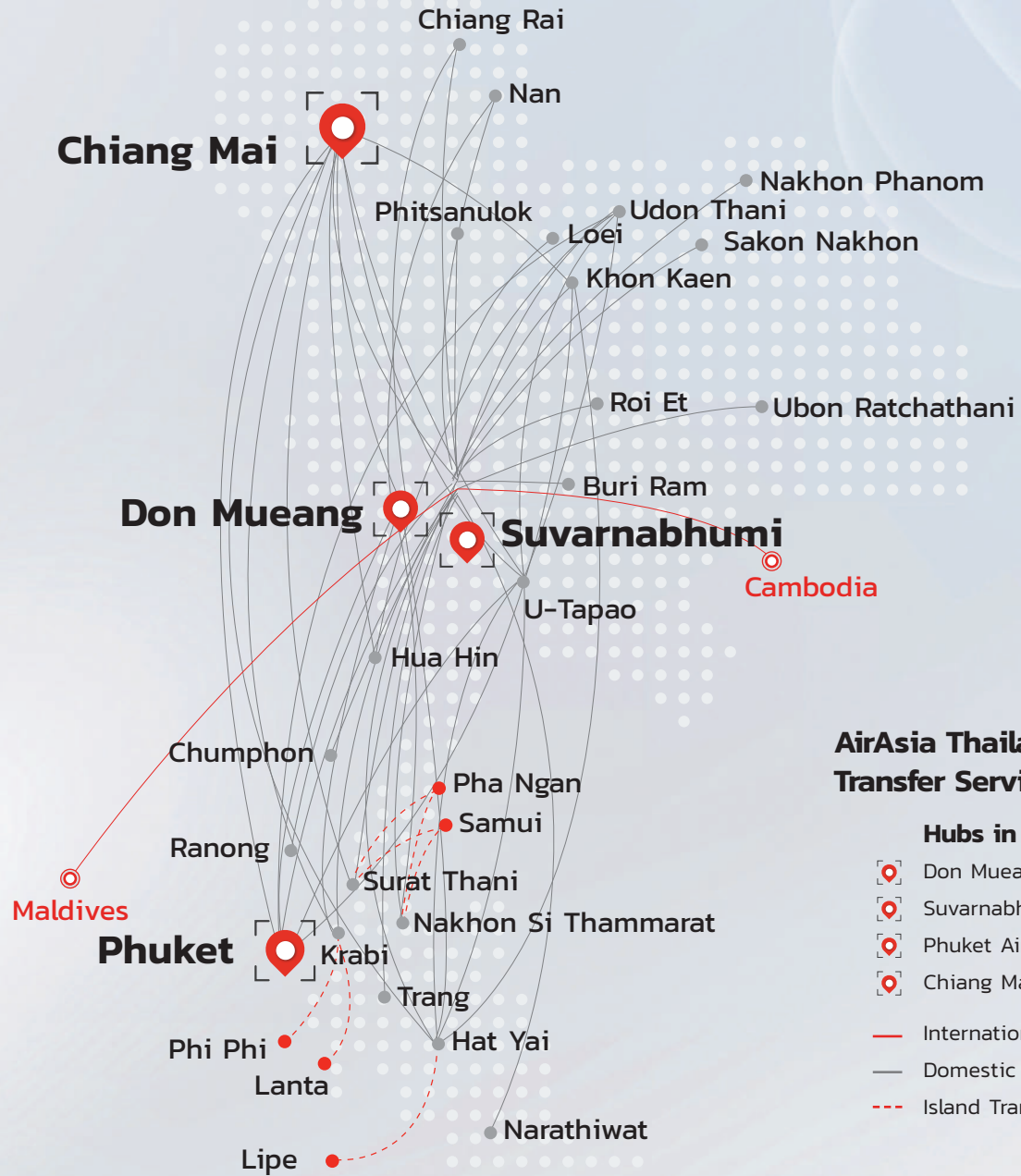
Key Operating Data	For the year ended 31 December		
	2019	2020	2021
Capacity (million seats)	26.1	12.6	4.3
Passengers carried (million)	22.1	9.5	2.9
Load factor (%) ⁽¹⁾	85	75	68
ASK (million) ⁽²⁾	26,940	10,174	3,002
RPK (million) ⁽³⁾	22,670	7,735	2,083
Average fare (Baht) ⁽⁴⁾	1,478	1,199	1,090
Revenue per ASK (Baht) ⁽⁵⁾	1.49	1.34	1.28
Cost per ASK (Baht) ^(6, 12)	1.55	2.29	4.51
Cost per ASK (non-fuel) (Baht) ^(7, 12)	1.03	1.68	4.04
Number of aircraft at period end	63	62	60
Number of stages flown	144,421	69,368	24,011
International	61,406	10,320	328
Domestic	83,015	59,048	23,683
Average stage length (kilometre) ⁽⁸⁾	1,033	804	688
Aircraft utilisation (block hours per day) ⁽⁹⁾	12.3	7.4	5.6
Ancillary revenue (million Baht)	7,511	2,285	651
Ancillary revenue per passenger (Baht)	339	241	222
Fuel consumption (million barrel)	4.94	1.76	0.53
Company's average market jet fuel price (USD per barrel) ⁽¹⁰⁾	77.1	46.7	72.6
On time performance (%) ⁽¹¹⁾	86	96	97

- (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 (2020: actual distance; 2018-2019: standard distance)
- (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 (2020: actual distance; 2018-2019: standard distance)
- (4) Calculated as Thai AirAsia's total passenger revenues divided by total number of passengers carried
- (5) Calculated as Thai AirAsia's revenues divided by ASK
- (6) Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding other expenses) divided by ASK
- (7) Calculated as the sum of Thai AirAsia's operating costs, selling expenses and administrative expenses (but excluding other expenses) less fuel costs divided by ASK
- (8) Represents the average number of kilometres flown per flight
- (9) Represents the average block hours per day per aircraft during the relevant period. Block Hours is calculated by measuring the duration between the time of departure of an aircraft and the time of arrival at its Destination.
- (10) Calculated as average fuel price of Jet kerosene for the period (MOPS price)
- (11) A flight is deemed "on time" if the actual departure time is no more than 15 minutes of the scheduled departure time.
- (12) Reclassification of the comprehensive income statements in 2020.



ROUTE NETWORK

(GRI 102-4, 102-6)



AirAsia Thailand Route & Transfer Service

Hubs in Thailand

- Don Mueang Airport
- Suvarnabhumi Airport
- Phuket Airport
- Chiang Mai Airport

- International Route
- Domestic Route
- Island Transfer



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 a radius of up to 3,500 kilometres and flight duration of up to four and a half hours from the Hub. Thai AirAsia route network offers frequent point-to-point services and is not scheduled in parking our aircraft at airports overnight other than our hub in four airports, comprising Bangkok (Don Mueang), Bangkok (Suvarnabhumi), Phuket, and Chiang Mai as of December 31, 2021.

In 2021, our extensive route network reached a total of 25 cities in Asia, covering 23 domestic destinations and 2 international destinations, along with 42 domestic and 2 international routes to totalling 44 routes. With our extensive route network, our customers have access to the combined route network of the airlines under Capital A in countries such as Malaysia, Indonesia, and the Philippines.

1.2 Network Expansion

When considering adding a new route to our network, Thai AirAsia takes into account factors such as potential load factors, population density, economic factor and tourism industry at the point of departure and destination, current and potential competition, airport fees, traffic rights and distance. This process of opening new routes typically takes three months and those new routes are to be approved by Thai AirAsia's 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 2021, the airline industry was challenged by the coronavirus 2019 outbreak ("COVID-19"), especially a surge of cases in late December 2020 and late April 2021. Unfortunately, the demand for travel has tumbled and airlines have reduced the number of flights in accordance with the lower number of passengers. In addition, as the government has to announce measures to prevent the spread of COVID-19 by limiting travel in or out of critically infected areas, the Civil Aviation Authority of Thailand ("CAAT") has issued the CAAT's announcement guidelines for airport operators and air operators on domestic routes during the COVID-19 outbreak situation stipulates that "airlines are not allowed to fly passengers to enter or exit an area designated as a maximum and strict control area from July 21, 2021 onwards until the situation ends", causing the airline to not be able to fly at Don Mueang Airport ("DMK") and Suvarnabhumi Airport ("BKK") from the date of the announcement until August 31, 2021, thus affecting the number of domestic routes that airlines operate during that period. Supportively, Thai AirAsia has resumed service on domestic routes from September 3, 2021 due to relief from regulators with social distancing measures on flights by reallocating its capacity to align with the travel demand. In 2021, Thai AirAsia inaugurated new domestic such as Bangkok (Suvarnabhumi) to Chiang Rai and Krabi. Thai AirAsia also added more frequency on the top-ranked domestic routes. Nevertheless, Thai AirAsia suspended some flights in 2021 to manage its flight efficiency and aircraft utilisation with the travel demand, such as Bangkok (Suvarnabhumi) to Hat Yai and Pattaya (U-tapao) to Chiang Mai, Hat Yai, Phuket and Udon Thani.

Thai AirAsia aims to firmly establish itself as Thailand's leading carrier in both trunk and secondary tourism destinations and maximise the returns, especially in the domestic market. We also support the passenger growth for connecting domestic travellers and people travelling among the countries within this region. Also, Thai AirAsia is enhancing the Suvarnabhumi hub as the gateway to the international market and strengthening its domestic market. Moreover, Thai AirAsia incorporates cargo routes as part of its expansion plans to ensure that the airline remains competitive in both passenger and cargo segments.



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 19 percent, 17 percent, and 17 percent of our revenues in 2019, 2020 and 2021 respectively, which are grouped into categories as below.

2.1 Services Before Boarding and Fees

Thai AirAsia offers a range of products and services to passengers on airasia website and sales counter 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 the reservation will bring about lower fees. Additional fees will be charged for baggage with excess weight.
- **Xpress Baggage:** Passengers can claim their baggage as fast as possible upon arrival at their terminal destination. Xpress baggage is available now for booking along with flights.
- **Xtra Carry-On:** Passengers can purchase Xtra Carry-On to bring on-board a total of 14 kilograms through 1 cabin bag and 1 small bag, up to 7 kilograms each.
- **Seat Selection:** Seat selection is available with fees; passengers can choose any preferred seats on the flight, which is varied by seat zone, flight hour, and timing of the purchase. Pre-booking of seat selection at the time of the reservation will bring about lower fees.
- **Checked Sports Equipment:** Passengers can check-in sports equipment including golf equipment, diving equipment, surfboard and bicycle. Checked Sports Equipment charges are based on the weight of the Sports Equipment and also upon flight hour, the timing of purchase and travel period. Pre-booking of the checked Sports Equipment at the time of the reservation will bring about lower fees. Additional fees will be charged for Sports Equipment with excess weight.
- **Bookings and Amendments:** Passengers can make a booking at 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 an online purchase on the website or at The AirAsia ticket counter in the airport. Extensive payment method selections are available such as via credit card, debit card, direct debit, ATM payment, counter service, PromptPay, and QR Code with processing fees.
- **Travel Insurance (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, including COVID-19, etc. Thai AirAsia has cooperated with Tune Insurance Public Company Limited and will receive the service fee from selling such insurance on 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 from check-in to baggage claim. AirAsia Red Carpet privileges include 1) a dedicated check-in area, 2) access to the airport lounge and priority boarding, and 3) priority baggage delivery upon arrival. Red Carpet service is available for flights departing from Don Mueang, Phuket and Chiang Mai in international and domestic terminals as well as Udon Thani, Hat Yai, Chiang Rai in the domestic terminal. Thai AirAsia will receive additional fees from this service.
- **Value Pack:** Passengers can select their favourite add-ons with their flight. A value pack has been made easier with this bundle that includes 20 kilograms of the checked baggage, a meal, a standard seat selection, and Tune Protect Insurance coverage comprising an on-time guarantee and baggage delay. All of these are bundled together with your flight at a more affordable fare.

2.2 In-Flight Services

The sales of beverages and food to passengers on-board 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 on-board prices, in which the food will also be served first prior to the sales of on-board in-flight beverages and food. Passengers can pre-book on such service no less than 24 hours before the departure time.

Additionally, Thai AirAsia offers merchandises on-board 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).

2.3 Other Services

- **Bangkok Bank AirAsia Platinum Master Card Credit Card:** Thai AirAsia and Bangkok Bank launched a co-branded credit card offering special privileges to the customers, including earn 1 airasia point for every Baht 20 spent, which the points could be redeemed to discount on ticket fares together with 10x airasia points earning for any purchase made on

AirAsia website and sales counters as Platinum membership of airasia rewards. Thai AirAsia will receive shared revenue from spending on this co-branded credit card.

- **Freight (AirAsia Cargo):** Thai AirAsia generates additional revenue from airfreight service on the scheduled flight, comprised of cargo and mails when space and weight are available.
- **Island and City Transfer:** Thai AirAsia generates additional revenues from a new all-in-one travel service. Thai AirAsia cooperates with the local van and ferry operators to offer City Transfer and Island services to deliver passengers either from the airport to the cities such as Pai, Chiang Khan, Phuket town, Patong, Sukhothai, and Surin, or from the land to the islands such as Lanta, Lipe, Phangan, Phi, and Samui. Passengers can plan their trip conveniently due to the easy access to the nearby islands and cities. Anyhow, the City Transfer service has been temporarily suspended this year.

3. Pricing and Revenue Management

Thai AirAsia uses multiple fare structures and dynamic pricing to yield ticket revenue. It will determine how many seats to allocate to each fare level for each flight and



each departure date to maximise our revenue. We consider the market demand and supply, competition, historical performance, domestic and international economic forecasts as factors.

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 purchase a seat at the lowest published fare. All fares displayed are one-way direct flights and also FLY-THRU flights. The confirmed seat booking after full payment is non-refundable, except for the portion relating to any applicable airport tax. However, passengers cannot reroute but can change the travelling date and time at least 48 hours before departure (other than in the case of promotional fares) and subject to the processing fee and the payment of the fare difference, which depend on the matter.

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 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, 2021, Thai AirAsia has a proportion of our total bookings sold through the Internet 75.9 percent, direct sales 3.2 percent and indirect sales 20.9 percent.



INTERNET SALES

75.9%

DIRECT SALES

3.2%

INDIRECT SALES

20.9%

4.1 Internet Sales

Thai AirAsia sells our ticket online via www.airasia.com and the application on the smartphone called “airasia Super App”, covered both iOS and Android. The payment can be paid by credit card, direct debit and internet banking, ATM, Mobile Banking, or at service counters such as Counter Service, Tesco Lotus, Big C Supercentre, Thai Post Office, Tops Supermarket, True Money, etc. Our lowest fares (including our promotional fares) are available only through the website and airasia Super App on the smartphone to encourage Internet reservations. 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, including cash payment at Counter Services.

4.3 Indirect Sales

Indirect sales through agents consist 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 the 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 online as well. Thai AirAsia obtains revenues from OTA 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 and state enterprise officers 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 a convenience 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 round tickets.

5. Advertising and Sales Promotions

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. Television advertisements, billboards, LED screens in and out of airports, and radio advertisements are the way to reach a wide range of consumers. In contrast, online advertisement is the way to reach targeted consumers, which encourages a direct conversion since the main sales channel is online via the company’s website and application.

Thai AirAsia exercises marketing plans throughout the year and regularly presents promotional fares, usually organising 3-4 major yearly promotions with further discounts on its already low fares. As a result, ticket prices during this period may be as low as Baht 0 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, feedback and our customer complaints. For any assistance, they can contact us directly on the mainpage website www.airasia.com or via airasia Super App. We have provided various channels of reach for our customer convenience through just-in-time service support. We have continuously attained to improve our technology by introducing the Chatbot that supports fast and accurate information retrieval 24 hours daily and Live Chat Agent to help the customer if Chatbot cannot solve passenger’s problems.

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

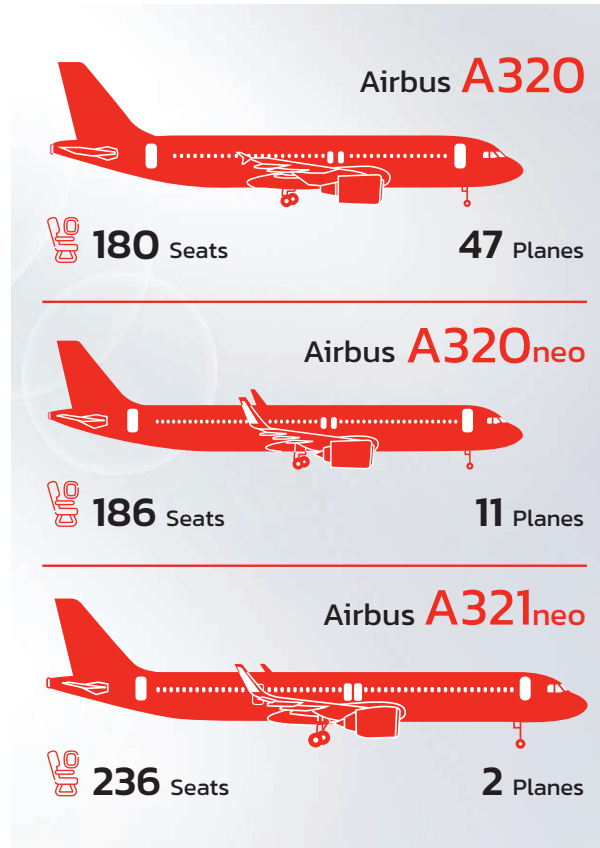


Products or Services Procurement

1. Thai AirAsia's Fleet

As of December 31, 2021, Thai AirAsia has Airbus A320 family of 60 aircraft. Thai AirAsia has entered into the aircraft's operating leases in total 51 aircraft, 13 aircraft with AAM (a subsidiary of AAB) and 38 aircraft with the third-party lessors. Meanwhile, five of the leased aircraft were under the financial lease agreement with financial institutions, and four of the planes belonged to Thai AirAsia. In addition, five aircraft of the fleet are in the deregistration process due to the 2021's expiry lease agreement, and two are allocated within other airlines of Capital A. For 2022, Thai AirAsia has no plan to deliver new aircraft and expects to reduce its fleet due to the retirement and reallocation, bringing its total fleet to 53 at the end of the year.

Airbus A320 family has a proven track record of reliability in short-haul, high-frequency operations with an appropriate number of passengers per flight. Thai AirAsia's Airbus A320 family fleet comprised 47 of Airbus A320, 11 of Airbus A320neo (New Engine Option), and 2 of Airbus A321neo, with an average fleet age of 8.35 years. In 2021, the aircraft utilisation rate was at 5.6 hours per day.



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

As at December 31, 2021, Thai AirAsia received 7 certificates of promotion privileges for 13 aircraft from the Board of Investment (BOI), with the privileges including (a) an exemption from payment of import duty on machinery approved by the Board of Investment, (b) an exemption from payment of income tax on net profit from promoted operations for a period of five years from the date on which income is deemed to be first derived from such operations, subject to a maximum exemption of Baht 1,409.0 million, as the case may be for the first projects and amounting to Baht 1,370.0 million for the second project and on a range of Baht 1,351.4 million to Baht 1,531.7 million for the third to seventh project (c) an allowance of a five-year carry forward period for losses for tax purposes from promoted operations from the expiry of the five-year period and (d) an exemption from income tax on dividends paid to shareholders from the profit of promoted operations during the corporate tax exemption period. Thai AirAsia shall comply with various terms and conditions set by the BOI in order to have such privileges.

2. Fuel

Fuel is a major cost component for airlines, in which Thai AirAsia's fuel costs in 2019, 2020, and 2021 were Baht 13,962.8 million, 6,398.7 million and 1,406.2 million, accounting for 34 percent, 27 percent and 10 percent of total of cost of sales and services, selling and distribution expenses and administrative expenses, respectively.



Thai AirAsia purchases a substantial majority of our fuel from PTT Oil and Retail Business PCL and Shell Thailand Co., Ltd with the benchmark of fuel prices against Mean of Platts Singapore (MOPS). Jet kerosene prices, and therefore fuel prices, are extremely volatile and are subject to many global economic and geopolitical factors. Thus, Thai AirAsia 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 procurement:** Thai AirAsia controls our fuel supply by uplifting as much fuel as possible within optimal limits and regulatory requirements, in destinations where fuel is least expensive, to facilitate the use of the least expensive fuel stock.
- **Payment upfront:** Upfront payment for all purchases gives Thai AirAsia a negotiating power to obtain better pricing.
- **Fuel consumption:** 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.

3. Major Customers

No customer contributed more than 30 percent of our total revenue in 2019, 2020 and 2021. Customers mainly consist of individuals travelling by air.

4. Major Suppliers

No suppliers accounted for 30 percent or more of our total operating costs and expenses in 2019, 2020 and 2021.

5. Maintenance and Spare Parts

5.1 Maintenance

Thai AirAsia provides line maintenance, light maintenance, and maintenance below a “C” level check for all aircraft. Any maintenance above a “C” level check or structural repair is outsourced to other certified maintenance, repair and overhaul (MRO) service providers. Those service providers are certified by CAAT, 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, FL Technics in Indonesia. In addition, through the AirAsia Aircraft Lease Agreements, Thai AirAsia can rely on the 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, 2021, Thai AirAsia keeps Baht 1,317.4 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 Safety Management System (“SMS”) with respect to the requirements of the International Civil Aviation Organization (“ICAO”) regarding all areas of our business that are involved with the operation of our aircraft. Importantly, the company has continuously maintained and improved its safety management. Although in the previous year, the company was affected by the pandemic, the company was able to cope with the situation very well because of the Emergency Response Plan (“ERP”), as well as, regular training and rehearsal for employees. Consequently, the company can control the spread of COVID-19 within the organisation in part of its operation and passenger with efficiency and safety in line with the SMS.



1.1 Safety

Safety is a core principle of how we run our business. Thai AirAsia is committed to developing, implementing, maintaining, and constantly improving strategies and processes to ensure that all our aviation activities take place under a balanced allocation of organisational resources, aimed at achieving the highest level of safety performance and meeting national and international standards, while delivering on our customer promise for affordable, reliable, and convenient flight services. All levels of management and all employees are accountable for delivering this highest level of safety performance, starting with the Chief Executive Officer (CEO).

Our commitment is to:

- **Support** the management of safety through the provision of all appropriate resources, that will result in an organisational culture that fosters safe practices, encourages effective safety reporting and communication, and actively manages safety with the same attention to the results of the other management systems of the organisation;
- **Enforce** the management of safety as a primary responsibility of all managers and employees;
- **Clearly define** for all staff, managers and employees alike, their accountabilities and responsibilities for the delivery of the organisation's safety performance and the performance of our safety management system;
- **Establish and operate** hazard identification and risk management processes, including a hazard reporting system, in order to eliminate or mitigate the safety risks of the consequences of hazards resulting from our operations or activities to a point which is as low as reasonably practicable (ALARP);
- **Ensure** that no action will be taken against any employee who discloses a safety concern through the hazard reporting system, unless such disclosure indicates, beyond any reasonable doubt, an illegal act, gross negligence, or a deliberate or wilful disregard of regulations or procedures;
- **Comply** with and, wherever possible, exceed, legislative and regulatory requirements and standards;
- **Ensure** that sufficient skilled and trained human resources are available to implement safety strategies and processes;
- **Ensure** that all staff are provided with adequate and appropriate aviation safety information and training, are competent in safety matters, and are allocated only tasks commensurate with their skills;
- **Establish and measure** our safety performance against realistic safety performance indicators and safety performance targets;
- **Continually improve** our safety performance through management processes that ensure that relevant safety action is taken and is effective;
- **Ensure** externally supplied systems and services to support our operations are delivered meeting our safety performance standards; and
- **Ensure** safety matters are communicated throughout the organisation, conduct appropriate promotion of safety awareness and allocate the necessary resources for the implementation of the safety policy



1.2 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 staff have appropriate skills to carry out their relevant duties as stipulated in our employee manuals. All crew and ground handling staff are required to undergo dangerous goods awareness training to be able to identify potentially dangerous goods and items that threaten the safety of the flight (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 within Capital A, which invests in information technology where its use directly lowers the Group's costs, enables scalable operations and improves efficiency and safety. Our key operating software systems (centralised in Kuala Lumpur, Malaysia) include (1) NewSkies 4.2 and GoNow 4.3 by Navitaire, which used for boarding, inventory and sales management/reservations (2) Oracle Cloud Application, which used for our financial operations and procurement (3) the AIMS software, which used for flight scheduling and crew rostering (4) Navtech software, which used for flight planning, and (5) Swiss Aviation Software Ltd.'s AMOS operating system ("AMOS"), which used for the management of aircraft maintenance engineering and logistics.

3. Airport Operations

Thai AirAsia provides our ground handling and ground support services at most domestic airports as well as ramp services. For international destinations, Thai AirAsia has cooperated with airlines in Capital A. 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

ground handling and ground support services ensures that costs are kept low while productivity is high.

For the services at the airport, Thai AirAsia elevated the importance of fast and convenient services by introducing a self check-in kiosk, suitable for passengers who value extended convenience and time in travelling. At the same time, the service allows Thai AirAsia to reduce costs effectively. Furthermore, to comply with COVID-19 prevention measures, Thai AirAsia has to elevate our health and safety protocols on New Normal. Therefore, a self check-in system and the Scan2Fly application were introduced, allowing passengers to upload documents in advance, greatly reducing the need to contact travel documents between staff and passengers.

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. The new technology Fast Airport Clearance Experience System (F.A.C.E.S) 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. Besides, The Ramp and Ground Service Equipment (GSE) of Thai AirAsia implement the Baggage Reconciliation System (BRS) that



improve baggage handling and ensure that all bags are loaded onto an approved flight, starting from domestic flights at the initial phase. The system verifies baggage matching with a verified boarding passenger at the check-in before it is loaded onto a departing aircraft to minimise misdirected baggage to the misplaced flights. This system immediately displays information on the dashboard allowing the duty staff to monitor closely.

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 aircraft 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 including Grounding Liability Limited to USD 125 million anyone grounding. Thai AirAsia also insured the aircraft against loss and damages under the Hull All Risks up to the

agreed value of the aircraft, but subject to a deductible of USD 750,000 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 annual aggregate limit of USD 10 million in respect of all aircraft and spare engines collectively under Capital A's airline business Hull Deductible policy.

In addition to the above, Thai AirAsia has purchased a Hull War and Allied Perils against loss or damage excluded by the War, Hijacking and Other Perils Exclusion Clause (AVN 48B) under the Hull All Risks insurance policy coverage, to the extent available in accordance with LSW555D policy form, up to the agreed value of the aircrafts. The coverage is subject to an annual aggregate limit of USD 1,000 million per occurrence.

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

Industry Outlook and Competition

1. Economic and Industry Outlook

In January 2022, the IMF projects the world economic growth to recover by 4.4 percent in 2022, lower than 5.9 percent in 2021. The outbreak of the new variant COVID-19 "Omicron" is affecting the service sector as many countries have increased their travel restrictions along with high energy prices and Supply Chain Disruption, which lead to global inflation. Meanwhile, lower-than-expected private consumption has pressured economic growth. The economic recovery still has several risk factors such as prolonged outbreaks, policy interest rate adjustments, geopolitics disputes, and climate changes.

Thai AirAsia forecasts the average jet kerosene price in a range of 85-95 US dollars per barrel according to the average Brent price of 75 US dollars per barrel forecasted by the U.S. Energy Information Administration (EIA), tended to rise gradually from the increasing oil consumption demand. The easing of pandemic control measures and opening of the country will fuel global economic activities, logistics, and tourism. Negatively, the prolonged Russia-Ukraine war could trigger the oil price hike.



However, the Organization of the Petroleum Exporting Countries and allies led by Russia (OPEC+) agreed to increase monthly output to 400,000 barrels per day, plus the United States and major oil importers will drain about 80 million barrels of strategic reserves, adding pressure to oil prices as the supply increases.

In terms of tourism, IATA expects an increase in international tourist arrival in 2022 to 3,432 million people, compared to 2,277 million people in 2021. Air travellers are likely to spend a total of USD 626 billion, or 72 percent of the pre-pandemic spending on air travel. Nevertheless, the airline industry could make a loss in an amount of USD 12 billion, lower than USD 52 billion loss in 2021. Conversely, the outbreak of a new variant virus could be a key factor affecting the tourism industry's growth.

In February 2022, The Office of the National Economic and Social Development Council ("NESDC") forecasts Thailand's economic growth for 2022 in the range of 3.5 percent to 4.5 percent. Positively, the relatively strong vaccination rate, the expansion of the export sector, revitalising tourism sector, and the government's economic stimulus measures have resulted in an ongoing rehabilitation in domestic and international demands. As a result, the Thai Baht tends to slightly strengthen in the range of 32-33 per US dollar. The Thai economy is likely

to recover following the country's reopening after the acceleration of vaccination, including capital flows into emerging markets. Nevertheless, the Monetary Policy Committee (MPC) is likely to maintain the policy interest rate at 0.5 percent throughout 2022 as liquidity in the system is still seemed to be high. Moreover, the interest rate hikes will affect consumption and investment trends more than in the pre-pandemic era. However, the domestic economic recovery could be pressured by the uncertainty of the outbreak, supply chain disruption from both domestic and international, and inflation that seems to be accelerated in the first half of 2022.

In 2022, the recovery in the tourism industry will primarily depend on the easing of travel restrictions, the progress of the vaccination, and the efficacy of COVID-19 medicine. The border reopening through Test & GO scheme on November 1, 2021, had stimulated the international tourism recovery. As a result, 0.43 million international travellers were entering Thailand. However, discovering new variants in many countries is likely to cause global traveller's concern. Besides, travel restrictions from the origin countries, especially China, put its COVID-Zero policy, adding pressure to Thai tourism in 2022. Thus, NESDC predicts the inbound tourists at 5.5 million with an estimated revenue of 0.47 trillion. In comparison, the Tourism Authority of Thailand (TAT) sets the targeted international tourists at 10 million with an estimated receipt

of Baht 0.63 trillion. At the same time, the number of domestic tourists is expected to be 120 million visits/time with an estimated revenue of Baht 0.49 trillion, bringing tourism revenue totally in 2022 of Baht 1.12 trillion.

2. Competition

These days, the COVID-19 outbreak has had an extensive impact on the airline industry, in which international flights were grounded. Therefore, the competition will focus mainly on domestic flights and target Thai tourists. Meanwhile, many airlines are trying to diversify income and develop their strategy to generate revenues through the non-airline business to survive this crisis. What's more, the pandemic has also caused many airlines to suffer losses, liquidity shortages, bankruptcy, and enter rehabilitation plans.

Thai Airways, the national airline which positioned itself as a full service, provided customer experience as "Touches of Thai" offers multiclass scheduled services, complimentary in-flight meals, a frequent flyer programme and airport lounges and based its operation at Suvarnabhumi Airport. In addition, Thai Airways established Thai Smile to provide the connecting service in domestic and Asean countries. Moreover, Thai Airways have generated more cash by selling deep-fried dough to support its business. In addition, Thai Airways filed the



rehabilitation petition on May 27, 2020, and the Central Bankruptcy Court (CBC) approved the rehabilitation plan on June 15, 2021.

Nok Air, a low-cost carrier that focuses on 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. Currently, Nok Air filed the rehabilitation petition on November 4, 2020, and the court approved the rehabilitation plan on September 29, 2021.

Bangkok Airways, the owner and the operator of the airports including Samui, Trat and Sukhothai, is a boutique full-service carrier focusing mainly on Samui Island routes. Moreover, the airline focuses on leisure travellers and routes not exceeding 5 hours from the operation centres, covering Southeast Asia and South Asia. Furthermore, Bangkok Airways has invested in the ‘City Airport’ deal in The Eastern Economic Corridor, which will fortify ground business, catering, and warehouse in the future.

Thai Lion Air, a low-cost carrier of Indonesia’s part of Lion Group, has started its operation at Don Mueang International Airport. The airline strategy provides a lower price than competitors with a slogan “We make people fly” with more focus on route expansions of domestic routes. In late 2021, Thai Lion Air started its air cargo

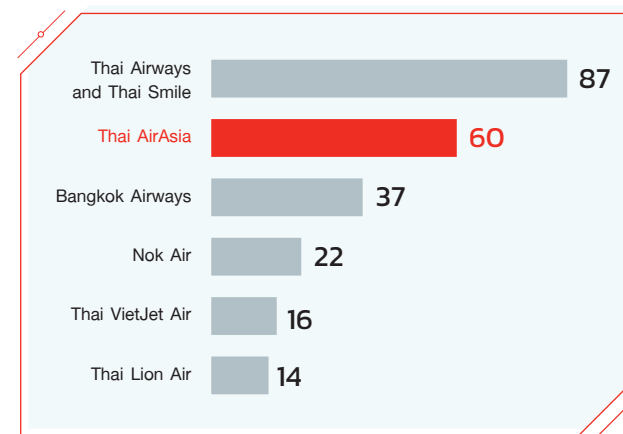
business using Airbus A330 aircraft, which has a base of operations in Suvarnabhumi Airport.

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. Thai Vietjet Air has rapidly grown business through both the promotions and the route operation expanding. Thai VietJet Air also focuses on the air cargo business to generate additional income.

Thai AirAsia’s strategy is to offer the best low fares with flight frequency, quality of service in its peer group and on-time performance. Given our cost management effectiveness, Thai AirAsia is better positioned to endure a decrease in airfares that might occur from the airline pricing environment in a period of increased competition from existing competitors or new entrants. In 2021, Thai AirAsia faced the recent strain outbreak of the COVID-19, which resulted in realigning its network by reducing the frequency or suspending flights in the high risk exposed countries and reallocating its active capacity management to align with travel demand. Moreover, it has less competition, especially in the trunk routes provided by low-cost carriers and full-service carriers. Thai AirAsia also offers services on unique routes to avoid competition and maintains leadership in the domestic market. Hence, Thai AirAsia dominates the airfare on those routes such as

Chiang Mai, Surat Thani, and Phuket to Khon Kaen. In addition, Thai AirAsia inaugurated the new routes connected with the government economic stimulus and travel demand, such as new domestic cross-region routes from Chiang Mai to Hua Hin and Udon Thani to Hua Hin. Moreover, Thai AirAsia has strategically positioned its base at Suvarnabhumi Airport to strengthen domestic, and air cargo routes as part of our international route expansion plans to ensure the company has a competitive advantage in passenger and air cargo.

The major airlines that were granted with the Air Operator Certificate (AOC) from CAAT provide services on both domestic and/or international routes have a number of aircraft in service as of December 31, 2021, as shown below;



Source: CAAT and SET Filing



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) Thai Lion Air, (5) Thai VietJet Air, (6) IndiGo, and (7) ZIPAIR.

2.2 Domestic

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

Our Business Strategy

Our goal is to establish ourselves as a leading low-fare carrier in every market we serve by offering passengers the opportunity to fly with the international standard quality and experiences at the valuable airfares. Besides, we aim to gain market dominance in each serving route. For 2022, domestic tourism is the key to economic stimulation and to enhance income distribution, in which tourism and airline businesses are recovering and receiving continued support. Therefore, Thai AirAsia will continue to increase the flight frequency and open routes to meet the rising demand of travellers, with an expectation to return to fly 100 percent of domestic routes within this year while considering the opening of international routes following the government's measures. Hence, Thai AirAsia has not planned to take new aircraft deliveries and expects to reduce its fleet owing to

the aircraft retirement and reallocation within other airlines in Capital A, bringing its fleet to 53 aircraft by the end of the year. This downsizing fleet size aligns with the forecasted pandemic's travel demand, and normality will take time. Therefore, Thai AirAsia actively manages its network and reallocates its capacity, including opening new routes or launching promotions that align with travelling demands and tourism stimulus packages. Furthermore, Thai AirAsia focuses on cost containment by reducing unnecessary expenses and renegotiating the debts repayment. At the same time, Thai AirAsia seized the opportunity to capture a new customer base to strengthen its market position, especially in the Suvarnabhumi airport's cargo services.

In addition, Capital A established a digital business company investing in the digital platform called airasia Super app, which aims to be the Asia-Pacific leading travel and lifestyle platform offering SNAP to provide flight and accommodation deals at affordable prices. Moreover, Thai AirAsia offers new customer experiences and contactless measures to recommend its passengers check-in online via its website, mobile app or kiosks, and its Q.R. Code system for contactless check-in and luggage loading. Additionally, biometric facial recognition will be implemented (F.A.C.E.S.) to increase customers' convenience and safety. In summary, Thai AirAsia aims to offer lower fares while focusing continuously on cost-containment and operational efficiency. Thai AirAsia is also building up its networks and lean structure to enable economies of scale and the effectiveness in management for the readiness of upcoming competition.



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SECURITIES AND SHAREHOLDERS

(GRI 102-5)

Equity Securities

Asia Aviation Public Company Limited

As at January 31, 2022, Asia Aviation has the registered and paid-up capital of Baht 1,159,285,714.30, being common shares of 11,592,857,143 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”.

Major Shareholders

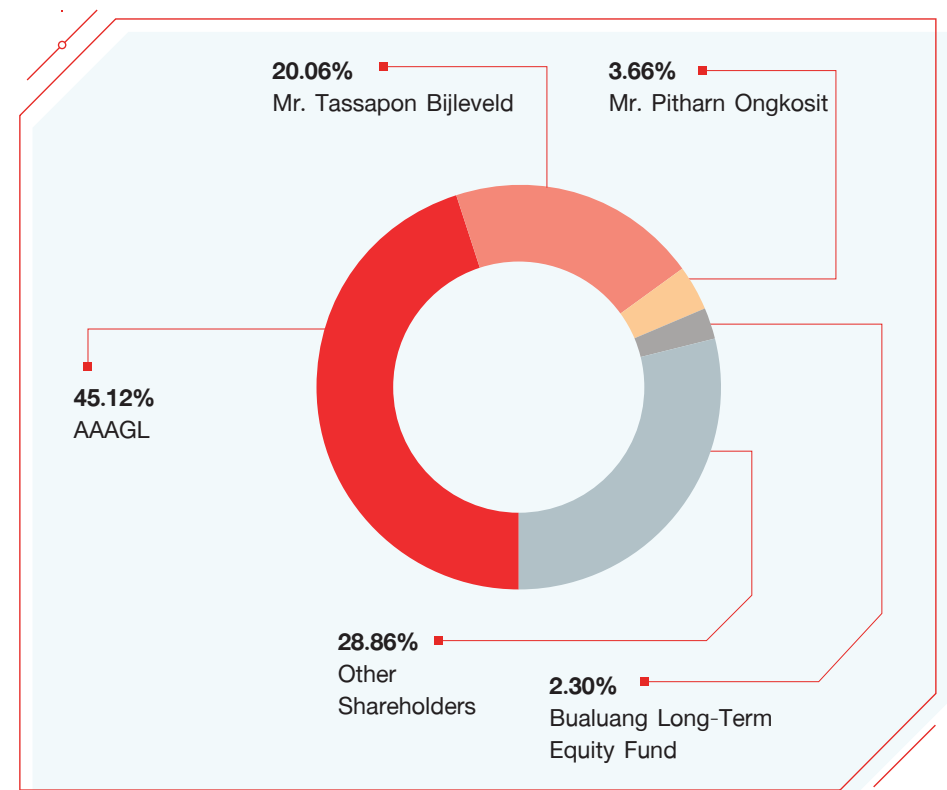
Asia Aviation Public Company Limited

As at January 31, 2022, Asia Aviation has its top 10 shareholders with details on the number of shares and shareholding percentage as follows:

Name	Number of shares	Shareholding Percentage (%)
1. AirAsia Aviation Group Limited ^{1) 2)}	5,230,616,671	45.12
2. Mr. Tassapon Bijleveld	2,325,088,286	20.06
3. Mr. Pitharn Ongkosit	424,877,596	3.66
4. Bualuang Long-Term Equity Fund	266,665,354	2.30
5. Mr. Tanarat Pasawongse	212,246,622	1.83
6. Thai NVDR Company Limited	200,977,527	1.73
7. Mr. Palin Lojanagosin	175,142,857	1.51
8. K Master Pool Fund PVF	157,194,582	1.36
9. Bualuang Long-term Equity Fund 75/25	110,531,463	0.95
10. K Flexible Equity RMF	96,231,695	0.83

Thai AirAsia Company Limited (Subsidiary)

As at February 17, 2022, Thai AirAsia has the registered and paid-up capital of Baht 946,183,270, being common shares of 94,618,327 shares at the par value of Baht 10 per share.



Remarks

- 1) AirAsia Aviation Group Limited (“AAAGL”) (formerly AirAsia Investment), a wholly-owned subsidiary of Capital A Berhad (“Capital A”) (formerly AirAsia Group Berhad)
- 2) Capital A engages in investment business by holding shares in other companies which are listed on the Bursa Stock Exchange of Malaysia.



Capital A Berhad

As at December 31, 2021, Capital A has major shareholders with details on the number of shares and shareholding percentage as follows:

Name	Direct		Indirect	
	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)
Tune Live Sdn. Bhd.	509,000,000 ¹⁾	13.06	-	-
Tune Air Sdn. Bhd.	516,485,082 ²⁾	13.25	-	-
Positive Boom Limited	332,498,504 ³⁾	8.53	-	-
Tan Sri Dr. Anthony Francis Fernandes	1,600,000 ⁴⁾	0.04	1,025,485,082 ⁶⁾	26.31
Datuk Kamarudin bin Meranun	2,000,000 ⁵⁾	0.05	1,025,485,082 ⁶⁾	26.31
Choi Chiu Fai, Stanley	-	-	332,498,504 ⁷⁾	8.53

Remark:

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

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

³⁾ Shares held under Positive Boom Limited and Kenanga Nominees (Asing) Sdn. Bhd. for Positive Boom Limited.

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

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

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

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

Thai AirAsia Company Limited

As at February 17, 2022, Thai AirAsia has 7 shareholders with details on the number of shares and shareholding percentage as follows:

Name	Number of shares	Shareholding Percentage (%)
1. Asia Aviation Public Company Limited	94,618,320	100.00
2. Mr. Tassapon Bijleveld	2	0
3. Gp. Cept. Tanapat Ngamplang	1	0
4. Mr. Preechaya Rasametanin	1	0
5. M.L. Bovornovadep Devakula	1	0
6. Mr. Santisuk Klongchaiya	1	0
7. Mrs. Hathaimas Ekkalakdilok	1	0
Total	94,618,327	100.00

Issuance of Other Securities

The company and the subsidiary have issued other securities comprising convertible debentures and debentures. The details are as follows:

1. Asia Aviation issued an unsubordinated and unsecured convertible debenture offered in a private placement on 14 December 2021 with total amount of Baht 2,200 million, with a maturity period of not more than 2 years and no interest rate. It has a conversion ratio of 0.00175 unit to 1 common share. It has a conversion price of 1.75 Baht/share. It has been subscribed by Bangkok bank Plc. Ltd. in the amount of Baht 1,200 million for a total unit of 1,200,000 units and North Haven Thai Private Equity, L.P. in the amount of Baht 1,000 million for a total unit of 1,000,000 units. The allocation of the newly-issued ordinary shares in the amount of not exceeding 1,257,142,857 shares to be reserved for the exercise of the right to convert the Convertible Debentures.



2. Thai AirAsia issued unsubordinated and unsecured debentures in Baht currency with fixed interest rates. The details are as follows:

Lots of Debentures	Outstanding Debentures (million Baht)	Issued Date	Maturity Date	Interest Rate (% p.a.)	Term of Interest Payment	Credit Rating
1/2021 Serie 1	80	6 Oct 2021	6 Apr 2022	6.75	Monthly	-
1/2018 Serie 1	1,200	26 Jun 2018	26 Apr 2022	6.75	Semi-annual	BB- ¹⁾
1/2018 Serie 2	1,000	26 Jun 2018	26 Jun 2023	2.95	Semi-annual	BB- ¹⁾
1/2017 Serie 2	600	19 May 2017	19 May 2022	3.28	Semi-annual	BB- ¹⁾
Total	2,880					

Remark

¹⁾ Debentures are rated by TRIS Rating Co., Ltd. (as of March 8, 2022)

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 2021, Asia Aviation does not pay dividends to Shareholder.

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 2021, Thai AirAsia does not pay dividends to Shareholder.



RISK MANAGEMENT

(GRI 102-15)

The aviation industry continues to face a number of changes for the year 2021, as a consequence resulting in the risk in our operation. Asia Aviation realises the importance of risk management in order to ensure the efficient management of the company and its subsidiary company. Risk management has been an important foundation helping assist the company to achieve sustainable objectives and is one of fundamental essential to build confidence among all stakeholders; considered to be a part of good corporate governance. Risk management aid to support management for better quality data in decision making at the intense rapid changes in the aviation industry. Also reduce the uncertainty to the operations, improve resource deployment for maximum efficiency, proper projection of performance results, improve risk culture and communication. With Asia Aviation. operating the business by holding shares in Thai AirAsia, which is a subsidiary that operates the main business for the company, the risk management system has been promoted.

Thai AirAsia is set on the continuing of maturing Risk Management; [1] Enterprise Risk Management based on the ISO 31000 international standard principles and [2] Business Continuity Management (“BCM”) based on the ISO 22301 international standard principles. The risk management policy has also been wide-spread through corporate culture to employees at all levels in creating risk management awareness. The purpose is to enhance the risk management processes to create good performance of business, reduce negative impact on society and the environment, and also minimise any impact that may occur on the business as much as possible.

The Risk Management Committee¹⁾ consists of the Chief Executive Officer and the management from the key departments reviewing and managing risks from both internal and external factors. The Committee plays an important role in supporting risk management; top down communication across the company, accentuating positive means and assisting relevant methodologies for consistent risk management practises throughout the organisation. Furthermore, the risk management policy continues to be highlighted through corporate culture to employees at all levels. This ensures that all employees are aware and recognise the importance of risk management.

The Risk Management framework of Thai AirAsia consists of the following components. We categorise our risk into four categories namely [1] Strategic Risk, [2] Operational Risk, [3] Financial Risk and [4] Compliance Risk, with different significant business risks in line with our risk management policy¹⁾.



¹⁾ Scopes, duties and responsibilities of the Risk Management Committee and Risk management processes are disclosed under the heading “Risk Management Policy” on the company’s website at <https://www.aavplc.com>



Risk Governance

Thai AirAsia's risk governance is to be a part of the management of the entire organisation to ensure that risk management is a priority when performing its duties and governance structure including duties and responsibilities to promote the effective risk management throughout the organisation.

Risk Management Culture



Thai AirAsia realised that having a quality and thorough risk management can be built and maintained by promoting and sustaining with the organisational culture. The company aims to make all employees aware of all risks which are involved within the daily duties, including their competence of being able to be responsible for managing risks appropriately.

Enterprise Risk Process

Thai AirAsia and risk management implement the guidelines and the integrated framework in line with the international principles of the ISO31000 standard. The 7 steps of Risk Management process are:

- 1. Establish context** for the external, internal and risk management context in which the process will take place - the criteria against which risk will be evaluated should be established and structure of analysis defined.
- 2. Identify** the event that could have a negative impact to the Company's ability to achieve target or mission considering both internal and external factors.
- 3. Assess** the identified risks by considering the likelihood of the risk occurring and the potential impact if the risk were to occur by applying the context of the degree of impact and proximity of the threat. Correlating the risks and how it could impact other risks as well as prioritising the risk based on the risk level.



4. **Plan** the preparation of management responses to mitigate the threats and maximise the opportunities considering the risk level with the management of cost.
5. **Implement** or risk response action are required for key residual risks that are high and very high
6. **Monitor and review** of the risk management system, the effectiveness of controls placed and changes to the business environment.
7. **Communicate** and report to the Audit and Risk Committee as well as providing regular reports to Management accordingly.



Strategic Risk

1. The aviation industry is exposed to risks from external factors (e.g. current market competition, possibility in aviation incidents, etc.)

Even through the spread of COVID-19 in 2021 there's still significant competitions in the aviation industry, just like survival of the fittest mode. Carrying on Passengers on a flight is not enough due to the decrease in travelling demand, the company has transformed itself into "More than just an airline". Meteorological conditions can cause flight delays, cancellations or postponements. On top of adverse weather, Thailand is one of the countries that have encountered many natural disasters during the past several years, including the Tsunami and flood.

Potential causes [1] News and information sharing on aircraft accident, aircraft terrorism, political unrest riots, airport closure, threats at the airport etc. may affect a passenger's flying assurance. [2] Natural disaster and adverse weather.

Potential consequences [1] Loss of passenger's confidence to travel by air [2] Customer dissatisfaction [3] Flight delays/ schedule from weather uncertainty. [4] Decreasing in total revenue from the operational [5] Unfavourable media coverage creating a negative image upon aviation business.

Controls and mitigations [1] Revolutionised deep into other business such data and tech driven lifestyle, cargo service and food delivery attracting existing passengers and new customers to the new business. [2] As safety has become the core principle of Thai AirAsia, SMS is used to enhance proactive and explicit processes for managing safety. Integrating the operations and technical systems with financial and



human resource management to achieve safe operations with as low as the reasonably possible risk. 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. Thus, the safety audit function is established to evaluate the effectiveness of installed safety risk controls or to monitor compliance with safety regulations. [3] Thai AirAsia has the ERP team with the Business Continuity Plan, (“BCP”) team to establish the procedures and prepare in case of a crisis. The ERP provides guidance during an emergency as well as to keep a close watch and follow the situation instantly, with the aim to minimise the impact on the flight operation and passengers.

2. Economic slowdown, change in passenger travel demand post-pandemic and business opportunities.

After being severely hit by COVID-19 in the first nine months, the economic activity has subsequently rebounded. The aviation industry is still on the fluctuation and unstable side, however, Thai Airasia continues with our safety measures onboard and on-ground in-line with the regulations and requirements from the government and the CAAT”.

Potential causes [1] Thai AirAsia went through a hibernation period and stopped all operations in August 2021. [2] Government declaring domestic travel restrictions with strict guidelines.

Potential consequences The company was unable to generate revenue from the hibernation but hidden with fixed continuous cost, operation disruption and passenger’s confidence to travel by the air decreased to uncertainty of travelling hence leading to loss of passenger’s travelling demands.

Controls and mitigations [1] Business Continuity Management Policy was applied. The company was able to continue the business even in a crisis, having various backup significant operating systems that are critical and essential to service to passengers. [2] Thai AirAsia requested corporations from employees to participate for cost savings to maximise liquidity in cash flow management under crisis, such as allowing employees to work from home or requesting the employee to leave without pay. Strictly moving forward with the operational strategies to generate income; (a) Seat removal for cargo in cabin permit (b) Official Dangerous Goods (DG) Carrier (c) Promoting airasia Super App. For the airline operation Thai AirAsia pursues the internal and external communication regarding the cleanliness and sterilising procedure to reduce the risk of disease spreading throughout passenger travelling experience. Following the domestic travelling guidelines in strictly screening passengers, wearing surgical/ fabric mask at all time, contactless procedure, social distancing and accessible COVID-19 vaccination certificate.

3. Company reputation damaged from Social Media.

In the world of digitised and wireless communication, the use of digital technologies and consumption of digital services has increased during the pandemic. Thai AirAsia never stops but goes beyond just a low-cost airline service. We adopt, adapt, and improve the platform for online booking transactions, AI customer service (AVA) and convenience onboard such as WiFi in the cabin. Thai AirAsia has 75.9 percent ticket sales via internet and mobile systems when compared to other distribution platforms.



Potential causes Thai AirAsia mission is to provide the highest quality product, embracing technology to reduce cost and enhance service. Doubling to the pandemic situation the digital service AVA Live Chat (AirAsia Virtual Allstars) was unable to respond due passenger's high traffic demand.

Potential consequences [1] passenger's continuous dissatisfaction about the company regarding the AVA Live Chat, causes loss in passenger's confidence, [2] loss in business opportunities, [3] loyalty to the brand impacting the Thai AirAsia's overall image.

Controls and mitigations Sustainability, Communication and Customer Happiness department continuously enhanced the regular communication in promoting basic information, processing procedures, and benefits of the automated system for passengers to get familiarised, understand and adjust to the AVA system.

4. Climate change from the aviation business and relevant regulations. (Emerging Risk)

The aviation industry is inescapably affected by rapidly changing weather conditions, such as the emergence of storms or other extreme weather conditions which is unexpected from the forecast data. The aviation industry is an important part of global climate change from the emission of CO₂ as well. From the resolution of the general meeting of the ICAO that has approved the use of measures to reduce emissions or the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA") to compensate and reduce the carbon footprint of the international sector of the aviation business. In 2018, Thai AirAsia was chosen by CAAT to participate as a model for the initial practice in supporting CORSIA measures, by setting the level of CO₂ emissions

in 2019 as a baseline, maintaining and not exceeding the emission level of greenhouse gas emissions from the international sector.

Potential causes burning of the jet fuel, emitting CO₂, planes affect the concentration of other gases and pollutants in the atmosphere. The company is unable to reduce emission from the operation to comply with the relevant regulatory.

Potential consequences [1] Because aircraft emissions are released high in the atmosphere, they have a potent climate impact, triggering chemical reactions and atmospheric effects that heat the planet. This increase in weather volatility as a result of climate change can have effects on all aspects of operational performance such as scheduling, flight planning, connectivity of flights, and safety planning (Operation Disruption) could directly affect passenger's satisfaction and company's reputation if the environmental impact management is not managed appropriately. [2] Thai AirAsia will incur higher operating costs for "Carbon Credit" if it is unable to control the carbon credit as required by ICAO requirement.

Controls and mitigations The on-going fuel Efficiency program by our Flight Operation department on improving flight efficiency by reducing fuel consumption while maintaining flight efficiency and still adhere to aviation safety; aka. "The Green Operating Procedure" [1] One Engine Taxi on Arrival (OETA) [2] Reduce Flaps Landing [3] Idle Reverse [4] One Engine Taxi on Departure (OETD) [5] Electronic Flight Bag (EFB). The Sustainability and Flight Operation Department collaborate together in determining the best practice and report the carbon emission program matter to CAAT.



Financial Risks

1. Company cash flow management risk.

The significant risk of managing an entity's cash flow can be the result of unexpected events that could happen at any specific time e.g. unidentified tracking of aircraft, a serious accident and incident, terrorism, a catastrophic or pandemic disease that occurs and directly affects the business.

Potential causes since the spread of COVID-19 in the late 2019 it has suspended regular flight operation and majorly impacted on passenger's travelling demand.

Potential consequences The Company has insufficient operating cash flow

Controls and mitigations the company had to continuously maintain financial planning and cash flow management and find financing sources by to support liquidity requirements.

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.

Asia Aviation is a holding company, it is dependent on the dividends from Thai AirAsia, of which it has 100 percent shareholding to pay the dividends for its shareholders. Asia Aviation may pay dividends based on its net profit of a separate financial statement of the Company, but not from its consolidated financial statement. Therefore, the ability to pay dividends of Asia Aviation depends on the dividends received from Thai AirAsia.

Potential causes Thai AirAsia has no operating profit.

Potential consequences Shareholders of Asia Aviation do not receive dividends from their shareholders insufficient net profit to pay dividends to the shareholders of Asia Aviation.

Controls and mitigations The Company has assigned Thai AirAsia to prepare operating plans and annual budgets, and management to closely monitor the operation to respond in a timely manner. Request cooperation from employees to participate in cost savings measures to manage cash flow and maximise liquidity under crisis, such as allowing employees to work from home or requesting the employee cooperation to take leave without pay, etc.

3. The business, financial condition, operating results, and prospect of Thai AirAsia affected by fuel costs.

The fuel cost is one of the main operating expenses of the airline business, which accounted for 10 percent of the operating expense of Thai AirAsia in 2021.

Potential causes With the unsteady flight schedule and operation plans during 2021, Thai AirAsia did not enter into any fuel hedging contracts.

Potential consequences High and continuously increasing of the operating cost.



Controls and mitigations To avoid entering into a contract and having to purchase jet fuel when the amount and usage was very uncertain, the company did not enter into fuel hedging contracts. In addition, the Flight Operation Department continues to improve the fuel efficiency management procedures by selecting the most suitable fuel loading and consumption for each flight operation, this helps create awareness amongst the operations team for when travel is back to normal, that fuel is the main expense that needs to be closely controlled.

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

Significant amounts of transactions for the aviation business that generate income and produce expenses are in foreign currencies, Thai AirAsia is exposed to foreign exchange rate risks. Even though the Company and Thai AirAsia engage in foreign currency hedging, hedging activities cannot be expected to eliminate all currency risks.

Potential causes Fluctuation in exchange

Potential consequences The increment in financial operating cost.

Controls and mitigations The company has adopted the practice of Natural Hedging to reduce the exposure of foreign exchange rates fluctuation. The company manages cash flow by exchanging the remaining balance in currency into the main expense currency. In order to manage the remaining balance in accordance with the main expense of the company e.g. maintenance expenses, aircraft lease expenses, fuel

cost etc. 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.

5. **The Company and Thai AirAsia may be exposed to interest rate fluctuations.**

The Company and Thai AirAsia may incur a significant amount of debt in the future in order for finance of long-term borrowings from financial institutions, lease liability bear floating interest rates

Potential causes The volatile changes in interest rate.

Potential consequences [1] the increment in finance costs [2] postpone of business expansion.

Controls and mitigations [1] 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; interest rate hedging policy. [2] As of December 31, 2021, Thai AirAsia has a ratio of long-term debts after interest rate swap between floating interest rates and fixed rates approximately 11 to 89.



Operational Risk

1. Operating single fleet type Airbus A320 family with CFM56-5B and LEAP-1A engines.

As of December 31, 2021, Thai AirAsia operates with the Airbus' A320 family a total of 60 aircrafts with CFM56-5B and LEAP-1A engines.

Potential causes [1] Dealing with only Airbus, sometimes there are delays in delivery of the new aircraft from the orders made. [2] Airlines that also use the A320 family have reported the design flaw with some technical mechanical issues on an Airbus model aircraft for CFM56-5B and LEAP-1A engines.

Potential consequences [1] All part of the aircraft would be grounded for maintenance. [2] When the lease agreement ends it could affect the company's operation and finance side due to the fluctuation of the A320 family second-hand market.

Controls and mitigations [1] Thai AirAsia has assessed the risks of the A320 family model of its defect and engine problem before committing to operate with a single type fleet for its high-level safety and the cost of services is at a modest level. Nevertheless, the coordination with Airbus, other manufacturers and maintenance units are live online for monitoring and updating on the issues for continuous improvement on the safety standard with strict maintenance aircraft schedule to prevent and reduce the damage from impacting the operation. [2] We also review and evaluate the second market when looking at the fleet exit strategies to provide the greatest flexibility in managing the fleet size to prevent the normal operation disruption from insufficient aircraft.

2. Thai AirAsia is dependent on automated systems and the internet in its business operation.

Thai AirAsia is hinged on the automated system in operating business, including website, online ticket reservation system, and internal communication system. Flight reservation by passengers on the website and airasia Super App application on smartphones increased up to 75.9 percent in 2021. Thai AirAsia website and online ticket reservation system must be able to accommodate high volume of traffic and display important flight information during new promotions and high season.

Potential causes [1] inaccessible and/ or disruption of mandatory program and system [2] payment transaction error [3] server or internet connection failure.

Potential consequences [1] difficulties in purchasing tickets via the internet [2] internal communication disruption [3] Leakage of personal data (credit card) leads to fines and penalties to the company [4] unsuccessful payment and/ booking error during the process.

Controls and mitigations [1] enforce data breach policy to keep customer personal information securely. [2] privacy policy and security system has been put in place for customers to prevent illegitimate access to private information. [3] The company is a member of leading domestic and international financial institutions and credit card providers such as VISA, MasterCard, American Express, and JCB to provide passengers satisfaction while using their credit cards speedily and safely via internet transactions. [4] Backup and business continuity plans are in place with the significant business unit to prevent disruption on these systems.



3. Thai AirAsia depends on business operation relationship with Capital A Berhad.

Capital A is Thai AirAsia's main substructure in many areas; sole operator permit to use in Thailand for "AirAsia" as the trademark name for the business operation, access to market knowledge, and its customer services and database. AirAsia Mauritius "AAM", an AAB's subsidiary manages the purchasing aircraft slots and allocation for each country, Airbus does not contact Thai AirAsia directly. Thai AirAsia prepares all the lease agreements in accordance to the aircraft's allocation, the expiration varies from 2022 to 2030 including online ticket sales and distribution channel from AirAsia Com Travel Sdn. Bhd. ("AACOM") and support function service from AirAsia Sea Sdn. Bhd. ("AASEA").

The company signed a service agreement with Asia Digital Engineering (ADE) under AAB, providing engineering service and centralised technical support. Thai AirAsia relies on the information technology from the Capital A which its main software located in Kuala Lumpur, Malaysia include; [1] NewSkies 4.3, developed its by Navitaire and used for inventory/sales management and booking reservation. [2] Oracle Cloud Application, developed by Oracle, used for financial operation and purchasing. [3] Swiss Aviation Software Ltd. 's AMOS, which is used for the management of aircraft maintenance engineering and logistics.

Potential causes [1] The increase in commission fees and other amendments can affect the operation of Thai AirAsia [2] System from Capital A may not suit the country's network infrastructure. [3] Mandatory software disruption.

Potential consequences [1] Trade name revoked [2] Operation disruption from software systems failure.

Controls and mitigations [1] Regular meeting conducted by top management to assess situations related to relational and dependency issues with Capital A [2] Business continuity plan (BCP) in case of malfunction to the significant and mandatory software. [3] The majority of the spare parts are located in our warehouse for the scheduled maintenance and quick fixes.

Compliance Risk

1. The leakage of personal information passengers and employees - data breach. (Emerging Risk)

In 2021, the company's direct ticket sales transacted over the internet was 75.9 percent and only 24.1 percent of indirect sales via other platforms. Thailand has re-announced the enforcement of Personal Data Protection Act (PDPA 2019) to June 1, 2022. The trend for purchasing online is increasing so is the risk of data breach. Strict measures that the company chose to prevent the leakage of sensitive information, however it does not guarantee that such risk will not take place.

Potential causes In the era of digital technology where the internet is accessible to the majority of the population, almost all transactions are done through the internet. Keying in personal data and credit card information the possibility of personal data leakage, cyber-attack from hacker, human error while operating and misconfigured system are possible.



Potential consequences [1] Fines or regulatory sanctions [2] Reputational and operational damages [3] Data leakage

Controls and mitigations Innovation Commercial and Technology Department (ICT) with Legal team and relevant departments encourage all employees to perform their duties with more caution and awareness of data leakage and understand the Personal Data Protection Act 2019. The ICT team defines their methodology for managing data (Data Governance) within the organisation to ensure the safety of the information regarding any suspicious activity that could lead to information leakage.

2. The aviation industry is governed and regulated by international aviation safety and standards.

CAAT is the main regulatory body governing the aviation businesses in Thailand, including regulating the operation and safety navigation as well as issuing aircraft and aircraft licences and certificates and granting permission. Nevertheless, Thai AirAsia complies to the international aviation safety and standards which has various international departments to participate in the audit and measure results in regard to safety matters.

Potential causes [1] Failure or delay to meet the necessary training [2] Failure or delay to meet the safety standards or regulations for immediate enforcement. [3] Front line employees may neglect or be unaware to perform their duties according to the standard procedures.

Potential consequences [1] Flight or route suspension and limitation on the number of flights, etc. [2] Business licences, certifications and landing rights from regulatory authorities may be withdrawn.

Controls and mitigations Thai AirAsia complies to the IATA Operational Safety Audit (IOSA) standard. In addition, the corporate safety department plans and examines safety-related issues, including communicating to employees, monitoring and evaluating safety standards throughout the organisation. In conjunction with operational quality assurance and the internal audit departments to assure that safety issues are regularly inspected as planned, to ensure the company's operational department is in accordance with relevant rules, regulations and international standards.

3. The compliance of the Air Navigation Act B.E. 2497 (1954) and other related laws

Since Air Navigation Act B.E. 2497 and its secondary legislations as well as Regulation of the Civil Aviation Board No.97 Re: Granting Licensing to Civil Aviation Business: Commercial Air Transport and Aerial Work and the notifications of Civil Aviation Board impose that Thai airline shall directly or indirectly have Thai shareholders not less than 51% of the total shares ("Eligible Persons"), AAV and Thai AirAsia, consequently, have seriously concerned of complying with the aforementioned regulations because AAV realises that the violation of the regulations may result in the withdrawal of Air Operation Licence (AOL) and Air Operator Certificate (AOC) of Thai AirAsia.

Potential causes In summary, the Air Navigation Act stipulates that Thai AirAsia must have persons who are not eligible persons and persons who are not Thai nationals directly and indirectly holding shares in Thai AirAsia not exceeding 49 percent of the total shares of Thai AirAsia.



Potential consequences [1] the Company reserves the right to refuse registration of any transfer of shares or registration of any person as a shareholder of the Company if such registration will cause the Company or the Company's group to lose its rights under the Air Navigation Act, that is, if a person who is not an Eligible Persons directly and indirectly holds shares in Thai AirAsia more than 49 percent of the total shares of Thai AirAsia, which may result in the revocation of air service operator licence and significant negative impacts on the business, financial condition, operating results, and business opportunities of Thai AirAsia. [2] there is a risk if the Company has the shareholders who are not in line with the Article of Association and Air Navigation Act, which may result, which may result in Thai AirAsia being terminated of the Thai-Designated Airline status and revoked of the international traffic rights.

Controls and Mitigation [1] "Before the register book is closed, the Company will advise investors who is not Eligible Persons through all communication channels to dispose and transfer of the Company's shares in order to prevent investors from losing any rights or advise investors to invest in warrants arising from Thai underlying securities (NVDR) instead of the Company's shares". [2] For Eligible Persons, the Company has reserves the right to refuse registration of any transfer of shares or registration of any person as a shareholder of the Company if such registration will cause the Company or the Company's group to lose its rights under the Air Navigation Act.

4. Not being registered as a shareholder of the Company and investment in warrant for benefits arising from Thai underlying securities (NVDRs).

Thai AirAsia must have non-Eligible Persons and non-Thai nationals directly and indirectly holding shares in Thai AirAsia not exceeding 49 percent of Thai AirAsia's total shares, the Company specify in the Company's Articles of Association reserving the right to refuse registration of any transfer of shares or registration of any person as a shareholder of the Company if such registration will cause the Company or the Company's group to lose its rights under the Air Navigation Act.

Potential causes if a person who is not an Eligible Persons directly and indirectly holds shares in Thai AirAsia more than 49 percent of the total shares of Thai AirAsia.

Potential Consequences Therefore, the Company's shareholders may be denied registration as a shareholder of the Company if such shareholders of the Company acquired the shares of the Company or acquired additional shares later and did not meet the criteria as specified and must lose the rights, such as the right to attend the shareholders' meeting to vote, the right to receive dividends, the right to receive any benefits from the Company i.e. RO shares, shares or convertible securities, etc.

Controls and Mitigation the Company will recommend investors who is not Eligible Persons and would like to invest in the Company's shares to invest in the warrant for benefits arising from Thai underlying securities issued by Thai NVDR Company Limited ("NVDRs"), whereby NVDRs holders are Non-Voting Rights, but are entitled to receive financial benefits such as dividends and the right to buy newly issued ordinary shares as well as investing in the Company's shares.



SUSTAINABLE BUSINESS DEVELOPMENT





SUSTAINBLE BUSINESS DEVELOPMENT

(GRI 102-45, 102-46, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54)

Thai AirAsia is dedicated to driving business with sustainable strategies (3G Good/Green/Growth) and intends to concentrate on the balance of three areas; economy, society, and environment.

Since 2020, the continuous COVID-19 outbreak has had a negative impact on the economy in many sectors. Volatility and obstacles are always present. Despite the fact that all variables and situations are outside its control, Thai AirAsia has made changes and is always preparing to defend and enhance performance through the management of controllable factors.

Despite persistent national obstacles, Thai AirAsia has been able to retain a THSI listing status on the Stock Exchange for three consecutive years and is the only airline to obtain the honour.

Reporting Guidelines

About this Report

Thai AirAsia compiles this sustainability report on an annual basis to disclose its management processes and returns in the areas of economy, society, and environment, as well as sustainability issue, in response to supporting the United Nations' Sustainable Development Goals (SDGs) to inform stakeholders and other interested parties.

This report covers the period between January 1, 2021 and December 31, 2021 in accordance with Global Reporting Initiative Standards (GRI Standards), Core Option level.

Scope and Boundary

This sustainability report exclusively presents operations during the year 2021 by Thai AirAsia within Thailand. Operational returns of businesses in which the company has a less than half stake, either directly or indirectly, or is not directly involved in administration due to an administrative board serving as an intermediary have not been included in this report.

Report Content and Validation

The core content and critical information of this report were reviewed and evaluated by executives of each of the company's departments to validate accuracy, pertinence to material sustainability issues and relevance to all stakeholders. While an external agency was not employed for validation of this report, environmental operation results were validated by a state registered private agency for reliability, accuracy and transparency. Material issues as identified by GRI Standards: Core Option and presented in this report differ from the 2020 edition as follows:

1.The integration of material issues which have joint activities and operations includes climate strategy, health and safety, human capital development, corporate governance and business conduct

2.The content of this report encompasses all eleven material issues. Financial returns are contained in the company's Annual Report.

Contact

Recommendations and opinions on this report are welcome and can be sent to:

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SUSTAINABILITY POLICY AND COMMITMENT

Thai AirAsia is committed to providing worthwhile travel services while elevating the quality and responsibility of its business impacts on society and the environment by caring for all its stakeholders and seeking out development opportunities for mutual growth.

Driving the business under sustainability strategies (3G Good/Green/Growth) responds to 3 areas; economy, society and environment. These issues have been taken into account in business activities. The company believes that the strategies as mentioned can be applied in every action.

SUSTAINABILITY STRATEGIES

GOOD

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

GREEN

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

GROWTH

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

The strategies are in line with the company's vision "To be the leading, sustainable travel technology company in Asia providing more than just affordable flights." and mission to create a globally recognised, sustainable Asean brand focused on adding value to the economy, society and environment.



SUSTAINABLE HIGHLIGHTS 2021

GOOD



97%

On-time Performance



56%

Customer Satisfaction (NPS)



ZERO

Cybersecurity Incident



ZERO

Information Insecurity Complaints

GREEN



88%

Recycle Rate



62%

Reduce paper consumption



203,818 tonnes CO₂

GHG emission (Scope 1&2)



Participate in the Vibhavadi Zero Waste programme



183,930 kWh

Reduce Electrical consumption



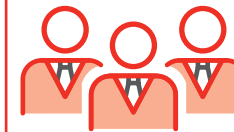
Certify LESS project

GROWTH



14 projects

Second Job offering



100%

Employee training of active staff



24 hrs/staff/ years

Mandatory skill training up to (Average)



MATERIALITY ANALYSIS

Thai AirAsia compiled this report to communicate to its stakeholders its determination to operate in accordance with sustainability strategies covering the three dimensions of economy, society and environment and its Sustainability Commitment. The company reviewed material issues in 2021 and additional views from stakeholders in meetings with its Sustainable Development Committee to decipher internal and external factors affecting how it can operate to meet with international sustainability standards while also considering the sustainability context of world-class airlines and stakeholder inclusiveness as well as evaluating present and future risks that may impact its business including COVID-19.

KEY STAKEHOLDERS	COVID-19 IMPACT	ACTION	MATERIALITY MAPPING
Business Partner	Digitisation for new normal	<ul style="list-style-type: none"> - Strengthen Cyber security system - Digitisation in response of COVID-19 such as Virtual Meeting 	<ul style="list-style-type: none"> - Technology, Innovation and Information Security - Sustainable Supply Chain management
	Workforce management to continued airworthiness disruption during COVID-19	<ul style="list-style-type: none"> - Spilt team for operational workforce - WFH for non-operational; Morning Health check - Morning health check online form 	<ul style="list-style-type: none"> - Health and Safety
Communities and Environment	Resource Management during non-operational period	<ul style="list-style-type: none"> - Operational team optimise usage of energy - Long-term park the non-operated aircraft to reduce resources and energy 	<ul style="list-style-type: none"> - Climate Strategy - Waste management
Allstars	Management of Human Resources in accordance with Occupational Safety and Health Standards and the well-being of employees	<ul style="list-style-type: none"> - ATK testing 12 hours prior to operation - Second Job offering for employees - Vaccines are provided to staff 	<ul style="list-style-type: none"> - Health and Safety - Human Rights - Human Capital Development
Governance Agencies	Adjustments to public health laws and policies regulating public transportation	<ul style="list-style-type: none"> - Streamline the passenger screening procedure to complies with all regulatory requirements. 	<ul style="list-style-type: none"> - Health and Safety






STAKEHOLDER ENGAGEMENT (GRI 102-40, 102-42, 102-44)



Changes to economic, social, technological and business competition contexts have made behaviours and expectations of passenger and stakeholder more complex. Thai AirAsia divides its stakeholders into 8 main groups; government agencies, customers (passengers), communities, media, investors, Allstars (employees), financial institutes and business partners. The company must constantly study and keep in step with each group's perceptions, attitudes and expectations using surveys and the feedback of relevant agencies to maintain a complete picture that can be used for development and setting directions for its business that respond to their demands and create long term shared value.

Stakeholder	Stakeholder benefits	Issues of interest	Communication channel and Frequency	Action and Response
Government Agencies 	<ul style="list-style-type: none"> - Good relationship with organisation - Safety measure for travelling 	<ul style="list-style-type: none"> - Corporate Governance and transparent information disclosure - Collaborating with agencies to support tourism - Regulation Compliance 	<ul style="list-style-type: none"> - Attendance of administrative and regulatory organisation meetings - Monthly reports to government agencies - Participation in government office projects and activities as appropriate - Compliance with policies for domestic and international tourism set by the Tourism Authority of Thailand as appropriate - Collaboration with local organisation and agencies to strengthen relations and preserve local cultures - Monthly Compliance with state policies on safeguarding against and containing the COVID-19 virus - Encouraging state agencies to provide aid measures to airlines, especially to reduce capital costs borne from government agencies to allow carriers to continue operations under the COVID-19 pandemic situation 	<ul style="list-style-type: none"> - Collaborations with government agencies to ensure safety - Reduce capital costs borne from government agencies





Stakeholder	Stakeholder benefits	Issues of interest	Communication channel and Frequency	Action and Response
Customer (Passenger) 	<ul style="list-style-type: none"> - Safe passage and on time. - Journey experience 	<ul style="list-style-type: none"> - Travel Safety - On time performance 	<ul style="list-style-type: none"> - Quarterly Customer Satisfaction Survey - Complaints via the Call Centre, Live Chat, Twitter (Ask AirAsia) Throughout operation hours and 24 hours a day for Live Chat - Customer meetings at AirAsia Sales Offices, AirAsia Travel & Service Centres during operation hours 	<ul style="list-style-type: none"> - Commercial companies need to hear and understand customer demands to satisfactorily respond and ensure repeat business - Customer satisfaction survey's result to enhance business service
Communities and Environment 	<ul style="list-style-type: none"> - Reduce Impact on community, society and the environment, which is a result of company's operations - Not violate against the environmental regulation - Build a sustainable income to community - Good relationship with organisation 	<ul style="list-style-type: none"> - Impact on community, society and the environment, which is a result of company's operations - Transparent and auditable management procedures - Cooperate with government agencies 	<ul style="list-style-type: none"> - Communications to promote community tourism and sustainable tourism awareness via Facebook to build awareness of universal access and promote tourism for people of all ages and conditions 	<ul style="list-style-type: none"> - Operating business inline with policy to reduce an impact on society and environment - Transparency communication - Allstars Do good project to support employees social engagement activities
Media 	<ul style="list-style-type: none"> - Good relationship with organisation - Exchanging idea to company 	<ul style="list-style-type: none"> - Transparency data - Company's vision 	<ul style="list-style-type: none"> - Provision of news relevant to the company via Email, media LINE groups regularly - Quarterly Press conferences in Bangkok and throughout the provinces - Annual meetings with the media in Bangkok and the Provinces as appropriate - Participation in seminars and discussions organised by media organisations and supporting media activities both directly and indirectly 	<ul style="list-style-type: none"> - Taking part in forums allows the company to indicate its perspective on circumstances surrounding the tourism or aviation industry and builds relationships with major media organisations - Being confident in the organization and investment



Stakeholder	Stakeholder benefits	Issues of interest	Communication channel and Frequency	Action and Response
Allstars 	<ul style="list-style-type: none"> - Provide the appropriate benefits to employees. - Decreasing in company's incident and illness 	<ul style="list-style-type: none"> - Occupational health and safety - Compensation and benefits - Transparency and justify workplace 	<ul style="list-style-type: none"> - Daily Internal electronic news circulation using the Workplace by Facebook system - Regular Employee Evaluation in every 6 months - Weekly Executive meetings - Operations Meetings between department representatives for briefings and problem solving - Weekly Coffee Talk (meetings between CEO and department heads) 	<ul style="list-style-type: none"> - Providing channels for employees to submit their opinions and complaints directly to executives - Encourage occupational health and Safety at workplace - Providing compensations and fair benefit - Continuously developing the capability of the employees
Investor 	<ul style="list-style-type: none"> - Accessing to accurate information - Maintaining shareholders' rights in accordance to rules and laws - Being confident in the organisation and investment 	<ul style="list-style-type: none"> - Business competitiveness and business direction - Organisational risks management in short-term and long-term - Corporate Governance and transparent information disclosure 	<ul style="list-style-type: none"> - Quarterly executive operational returns summary meeting - Domestic and international investor visits - Yearly annual stockholder meeting - Operations visits as appropriate - Perpetually Company website 	<ul style="list-style-type: none"> - The majority of investors wish to access timely, consistent and accurate data that is transparently and rightly presented with equal access for decision making by all investors. - Providing channels for shareholders to submit their opinions and complaints directly



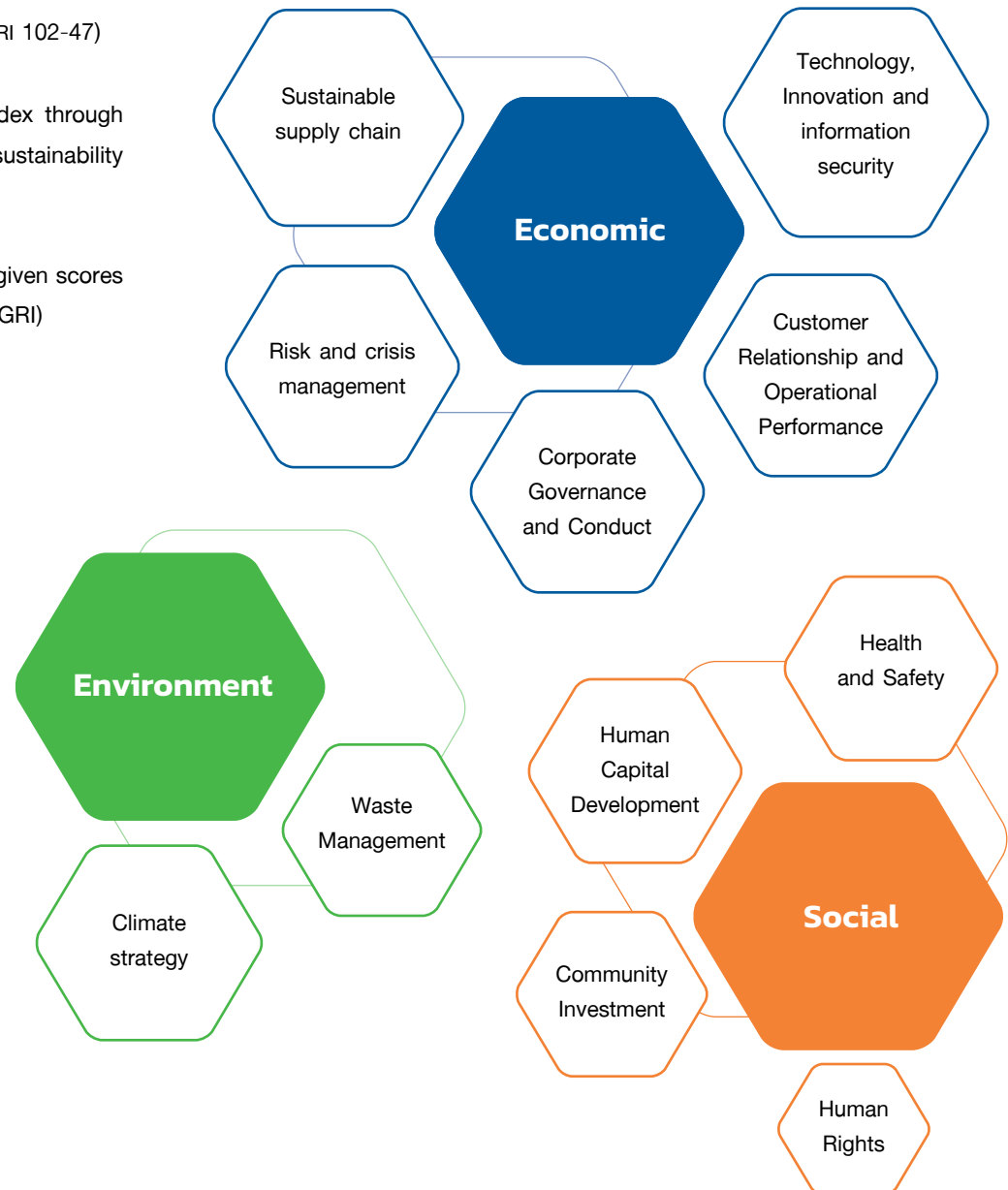
Stakeholder	Stakeholder benefits	Issues of interest	Communication channel and Frequency	Action and Response
Financial Institution 	<ul style="list-style-type: none"> - Achieve business's goal 	<ul style="list-style-type: none"> - Business competitiveness and business direction - Organisational risks management in short-term and long-term - Corporate Governance and transparent information disclosure - Company's Financial Discipline 	<ul style="list-style-type: none"> - Meetings and discussions on returns and projects 2 times a year - Year-Round coordination for financial activities - Monthly Reports, notification and data forwarding on financial activities - Quarterly Seminars and workshops on the economic situation, financial markets and capital markets 	<ul style="list-style-type: none"> - Transparent information in accordance with national and international standards - Shareholder able to submit their opinions and complaints directly
Partners 	<ul style="list-style-type: none"> - Being confident in the organisation and investment - Innovation works 	<ul style="list-style-type: none"> - Business's ethics - Business competitiveness - Business direction 	<ul style="list-style-type: none"> - Meetings, conferences, teleconferences, workshops and contact via visits by representatives - Teleconferences with manufacturers on various updates - Visits by aircraft and engine manufacturers to Thai AirAsia - Meetings with aircraft and engine manufacturers - 24-hour chat room for Thai AirAsia engineers and manufacturer engineers 	<ul style="list-style-type: none"> - Extend partner's credit term duration - Operating business with efficiency, as well as in compliance with the standards and expectations



MATERIAL ISSUES FOR SUSTAINABILITY 2021 (GRI 102-47)

Observing standards set by the Stock Exchange of Thailand's Sustainability Index through directions approved by its Company Board and executives, material issues for sustainability which were indicated for this year included 11 outlined by stakeholders.

Related issues were grouped into the final 9 by the Sustainability Committee and given scores according to vertical and horizontal criteria based on Global Reporting Initiative (GRI) Standards. Concluded material issues were as follows:



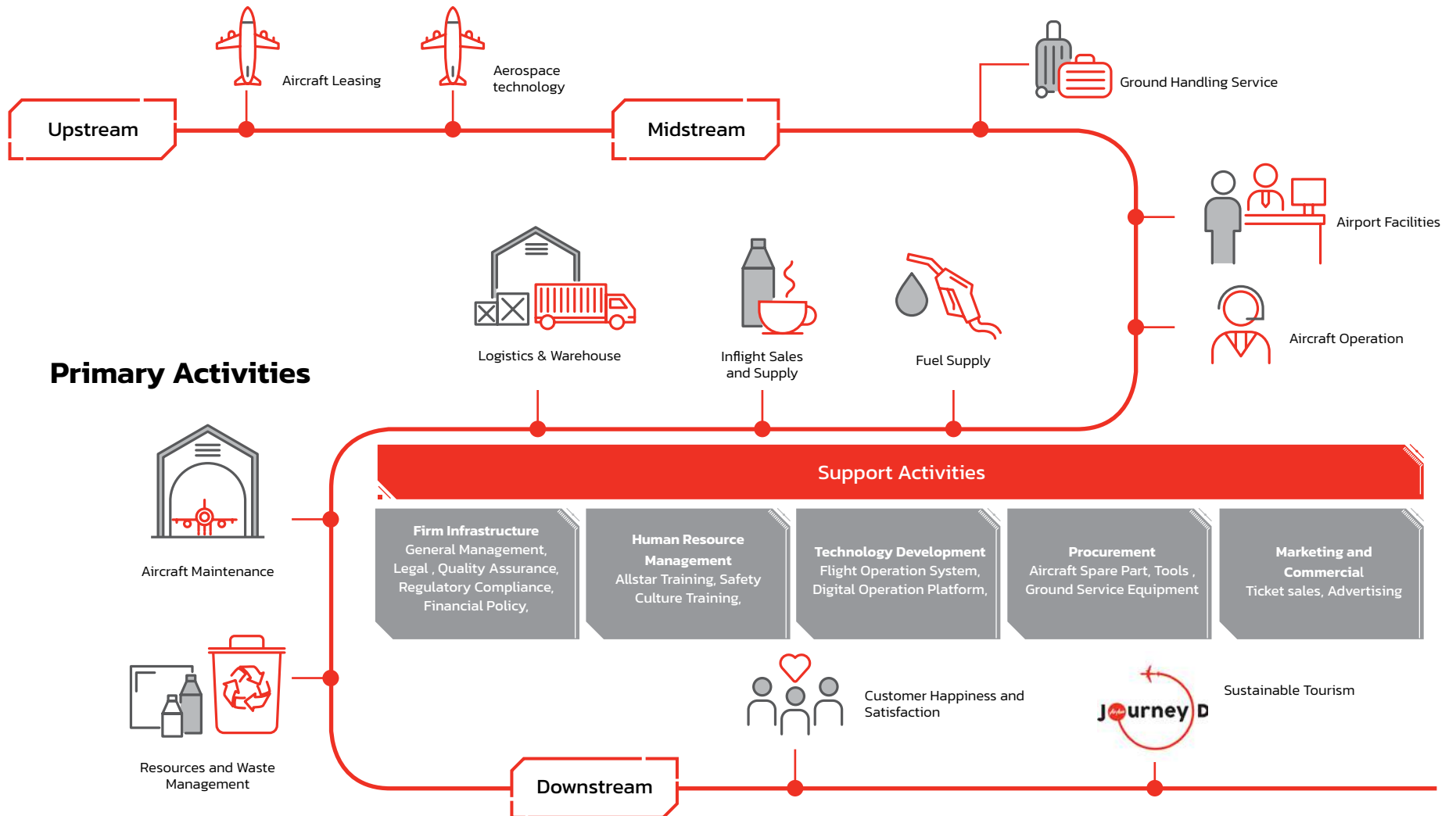
**MATERIALITY SUSTAINABILITY ISSUES**

	Material Topic	Key stakeholder and Impact boundary		Importance to capital and Value creation
		Within Organisation	Outside Organisation	
GOOD	Corporate Governance and Conduct	Allstars	Governance, Investor, Financial Institution, Media	Financial Capital, Intellectual Capital
	Customer Relationship and Operational Performance	Allstars	Investor, Customer, Media	Financial Capital, Intellectual Capital
	Risk and Crisis Management	Allstars	Investor, Financial Institution	Financial Capital
	Technology, Innovation and information security	Allstars	Partners, Customer, Media	Human Capital, Intellectual Capital
GREEN	Climate Strategy	Allstars	Governance Agencies, Partner, Community	Natural Capital, Financial Capital, Social Capital
	Waste Management	Allstars	Partner, Community	Financial Capital
GROWTH	Community Investment	Allstars	Community	Social Capital
	Human Capital Development	Allstars	Partner, Allstars	Human Capital, Intellectual Capital
	Health and Safety	Allstars	Customer, Partner	Human Capital
	Human Rights	Allstars	Customer, Partner	Human Capital, Social Capital



VALUE CHAIN (GRI 102-9)






Thai Airasia Value Chain illustrates the relations of business sectors, primary activities and support activities from Upstream, Midstream and Downstream, to reflect the delivery of values across stakeholders in order to provide excellent quality service and perfectly meet passenger expectations.





SUSTAINABILITY GOALS

Thai Airasia has set sustainability goals from materiality issues and aligned with Airasia Group. The sustainability goals are according to materiality and UNSDG (United Nations Sustainable Development Group). The Goals are planned in 3 phrases; short-term, medium-term and long-term

SDGs GOAL	MATERIAL TOPIC	2021 OBJECTIVE	KEY RESULT AND PROGRESS	PLAN FOR IMPROVEMENT	SHORT-TERM GOAL (Now-2025)	MEDIUM-TERM GOALS (2035)	LONG-TERM GOALS (2050)
 	CLIMATE STRATEGY	Reduce Carbon Intensity Ratio by 3 gCo2/RPK	 Due to operational and pandemic prevention, reducing carbon intensity raion by 3 gCo2/RPK is not able to achieved.	<ol style="list-style-type: none"> 1. Gradually replacing A320-200 with A320neo 2. Continue Green Operating Procedure 3. Introducing Sustainable Aviation Fuel to operation 	Continuing Green operation efficiency and To archiving CORSIA goal		
		Reduced electricity consumption by 5% in compare with 2019	 Reduced electricity consumption by 40 % in 2021 compared with 2019 *Only DMK station (Main base)	<ol style="list-style-type: none"> 1. Continuing to reduce electricity consumption 2. Promoting electrical power saving campaign 	Maintain reduction of electricity consumption by 5% in compare with 2019	Reducing electricity consumption by 8% compared with 2019	Reducing electricity consumption by 10% compared with 2019
		Reduced paper consumption by 10% compare to 2019	 Reduced paper consumption up to 62 % compare with 2019 *Only DMK station (Main base)	<ol style="list-style-type: none"> 1. Optimising capacity of paper document 2. Continue converting to digital document 	Maintain reduction of paper consumption by 10% compared with 2019	Reducing paper consumption by 15% compared with 2019	Reducing paper consumption by 20% compared with 2019



ACHIEVED




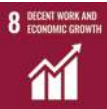

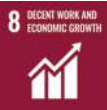




ONGOING



NOT ACHIEVED



SDGs GOAL	MATERIAL TOPIC	2021 OBJECTIVE	KEY RESULT AND PROGRESS	PLAN FOR IMPROVEMENT	SHORT-TERM GOAL (Now-2025)	MEDIUM-TERM GOALS (2035)	LONG-TERM GOALS (2050)
 	WASTE MANAGEMENT	Recycle rate target of 80%	 *Only DMK station Recycled up to 88 % of total waste *Only DMK station (main base)	<ol style="list-style-type: none"> Continue to be certified of the to Low Emission Support Scheme : Minimise & Optimise packaging for inflight product Upcycle to create value from wastes Implement waste separation and recycling 	<ul style="list-style-type: none"> 100% Zero waste to landfill Upcycling product to create value 	<ul style="list-style-type: none"> Reduce landfill waste down to zero across all station. Reduce products from single-use plastic 	
	TECHNOLOGY, INNOVATION AND INFORMATION SECURITY	Introduce robotic automation process to optimise internal operation procedures	 Introducing RPA and related applications	<ol style="list-style-type: none"> Promoting RPA to increase efficiency and reduce redundant workload. Organising basic RPA training course within the organisation 	Continue to adopting RPA technology at least 3 projects	Development of business application software to increase capability and competency.	
	CUSTOMER RELATIONSHIP AND OPERATIONAL PERFORMANCE	OTP target of 90% Net Promoter Score (NPS) target of 50	 OTP target achieves expectation of 97%  NPS target achieves expectation of 56%	<ol style="list-style-type: none"> Implementing OTP strategies Analyse causes and types of delay 	OTP target of 90% NPS target of 60	NPS target of 70	NPS target of 75



ACHIEVED

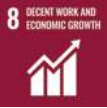


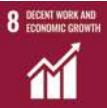






ONGOING



NOT ACHIEVED



SDGs GOAL	MATERIAL TOPIC	2021 OBJECTIVE	KEY RESULT AND PROGRESS	PLAN FOR IMPROVEMENT	SHORT-TERM GOAL (Now-2025)	MEDIUM-TERM GOALS (2035)	LONG-TERM GOALS (2050)
 	COMMUNITY INVESTMENT	Build a network of 10 sustainable tourism communities	 <ul style="list-style-type: none"> - 4 sustainable tourism communities. - Due to operational and pandemic prevention, this project could not be implemented. 	<ol style="list-style-type: none"> 1. Develop and strengthen online marketing for the community 2. Educate occupational safety and hygiene to reduce pandemic risk 3. Boost traveller confidence for a return of travel 	Build a network of 10 sustainable tourism communities	Develop sustainable community-based tourism and maintain community satisfaction	
	HUMAN CAPITAL DEVELOPMENT	Employee satisfaction score at minimum of 4.0	 <p>Did not perform survey in year 2021</p>	<ol style="list-style-type: none"> 1. Support the value of employees communication channels 2. Develop Human Rights Policy 	Employee satisfaction score at minimum of 4.5		
		Online training average 3.5 hours per staff per year	 <ul style="list-style-type: none"> - Training of special skills, averaging 24 hours per staff per year - Training of fundamental skills, averaging 6 hours per staff per year 	<ol style="list-style-type: none"> 1. Develop online training course 2. Encourage consistent skill training 	To ensure training resources are available to employees to develop their skills.		
	HEALTH AND SAFETY	Safety Performance Indicators; SPIs target achieved	 <ul style="list-style-type: none"> - Safety Culture - Effective Safety Management system 	<ol style="list-style-type: none"> 1. Enhance the SMS performance review mechanism 2. Continue strengthening safety culture 	Strengthening Safety Culture and continually enhancing SMS		



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ONGOING



NOT ACHIEVED



Sustainable Strategy : GOOD (GRI 102-43, 102-44, 103-1, 103-2, 103-3)

1. Customer Relationship and Operational Performance

1.1 On Time Performance

Commitment

On-time performance is a leading factor of airline business. As a result, the delays will have a significant influence on efficiency and profitability. Controlling the airline's efficiency and timeliness is consequently critical. Thai AirAsia is devoted to efficiency and timeliness in its operations by setting the on-time performance goal at 90%.

1.1.1 2021 Performance

Despite travel restrictions and impact on flight schedule caused by the COVID-19 pandemic, Thai AirAsia continues to enhance its punctuality efficiency by 97 percent.

1.1.2 OTP Strategy

In making sure flights depart and arrive safely and on-time, integrative work between many departments is required. To ensure the flights departs and arrival Safety and On-time, requires collaborative efforts from all departments to manage performance control and timeliness. The company has established a OTP committee to monitor time performance headed by the Chief Executive Officer and including relevant operations. A monthly meeting is held to discuss performance, efficiency and improvement. Due to the elements involved in achieving the efficiency of on-time performance, required adjustment of several work approaches as follows;

- **Operation Time Consideration** Pilots, cabin crew, engineers, ground crew and ramp crew must all perform different duties, requiring different timescales during the 25-30 minutes an aircraft is on the ground. Each unit must accurately utilise its operation time to ensure on-time departure.
- **Two-Door Boarding Trial** This approach was trialled to reduce boarding time
- **Flight Schedule Analysis** Analysis was performed to strategise improvement on on-time performance. Flight scheduling impact was reviewed and statistics were used to analyse ground operations, leading to amendments for more efficient time management.
- **Flight Sequencing** Daily flight sequences and pairings were adjusted to reduce delays.
- **Single Database Operation System** A connected online document system was constructed to reduce communication time and facilitate operations. On-time performance indicators are transmitted through the system to each station.
- **Analysis of Delay Types and Patterns** A working group analyses the effects of delays so that original causes can be addressed efficiently. KPIs had been set as standard for all relevant teams.

1.1.3 Management Approach 2022

Thai AirAsia is committed to enhancing its On-time Performance. Despite the epidemic's effect and flight requirements, using the following approaches;

- **Two-Door Airplane Boarding** Boarding passengers using two doors reduces waiting times. The method is to be used across all stations.
- **Prediction of Future Delay** Predicting potential delays will allow planning and remedy. Past data and current factors will be used to make predictions.
- **Prioritising Every Flight** Due to Thai AirAsia being relevant to AirAsia carriers in other countries, analysis and development must be done collaboratively.
- **COVID-19 Prevention Measures** In light of the COVID-19 pandemic, Thai AirAsia added further measures and coordinated with Airports of Thailand to frequently utilise more aerobridges to avoid passenger crowding on shuttle buses with the buses limited to a capacity of 50 people each to allow social distancing.



1.2 Customer Satisfaction Measurement

Commitment

Thai AirAsia is committed to providing a high-quality service to passengers. In order to consistently respond to diverse needs. The company believes that passenger feedback is critical to establishing trust and confidence in an organisation. As a result, it is critical to listen to passenger input, in order to acknowledge business practices based on ethics and morals that coexist with sustainable growth.

Customer Satisfaction

To effectively enhance passenger service, From 2019 until the present, Thai AirAsia has used the Satisfaction Index (NPS: Net Promoter Score) to enhance passenger service. It is measured by customer satisfaction with the service at each touch point (customer journey). At each touch point, have a response department. The purpose of developing the NPS must be integrated by all parties to succeed towards the same goal.

There will be an evaluation as part of the monitoring process and to measure customer satisfaction each month. To assess the quality of service and ensure that passengers have responded by reviewing the results of operations at all touch points and developing strategies in response to uncertain circumstances.

1.2.1 Guest Services

Guest Services are Thai AirAsia's most passenger facing department, issuing tickets, boarding and booking flights at all 24 airports from which the airline flies in Thailand. At the core of Guest Services is acting with speed, efficiency and service excellence.

Result and Target

In 2021, the NPS was required to score not less than 50%. For 2021, the department achieved a score of above average satisfaction at 75%

To expand the services beyond expectations, the guest service department has designed the course "7 Service Wonders," drawing from years of work experience, customer suggestions, and the company's core values. Through the course, guest service will be able to understand the expectations of passengers and the service through which all service personnel must be happy at work, thus increasing work efficiency. This course has been provided from 2018 until present. As a result, the results of service quality are of higher standards every year, respectively.

1.2.2 Inflight Service

Cabin crew serve passengers in-flight with a focus on two main areas: safety and service. Cabin crew play a role in assisting passengers to reach their destinations safely and on-time while also ensuring they have a relaxing journey. Service to passengers by cabin crew adheres to standards set by both the Civil Aviation Authority of Thailand and Thai AirAsia. The department has set the NPS target at 50 percent, and for performance in 2021, the department achieved 71%.

Result and Target

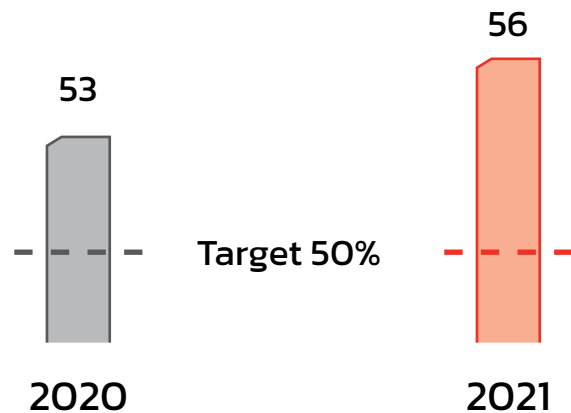
Many changes took place in the Cabin Crew department over the past years with operational procedures significantly altered in accommodation of the situation and in the interest of effective COVID-19 prevention, which is the root cause of the changes and a continuing threat. This encompasses operating procedures on both commercial flight and charter flight which differs significantly from regular circumstances. The changes did not pose an obstacle to Thai AirAsia's cabin crew in maintaining the Net Promoter Score (NPS) set by the Regional Cabin Crew Department.



Apart from customer satisfaction measurement, to operate during the COVID-19 outbreak and to maintain efficiency and safety accordingly, cabin crew must undergo frequent training. Despite the epidemic situation that created a chasm between crew and passengers, the crew maintains its commitment. P.E.A.C.E is the service concept that ensures that passengers receive constant care. Service quality is elevated to a new level by integrating the “7 Service Wonders” to integrate and elevate service quality to a new level.

1.2.3 Overall NPS Target

Through dedication and development of service that is both efficient and sustainable, despite other travel factors as constrained by the outbreak situation, Thai AirAsia has succeeded in exceeding the target for customer satisfaction.



In the past year, customer satisfaction is influenced by a variety of factors including safety of travel, on-time performance, booking process, employees interpersonal skills in all processes. In comparison to 2020, the NPS has increased by three percentage points, reflecting that the company is capable of maintaining service standards. Despite the consequences of travel restrictions and the increased distance between passengers and crew, the organization develops strategies to enhance the customer experience further.

1.3 Quality Policy

Commitment

Thai AirAsia, under the leadership of its Chief Executive Officer and through all of its staff, is committed to operating in complete compliance with regulations prescribed by the Civil Aviation Authority of Thailand (CAAT) and the International Civil Aviation Organization (ICAO) and with the IATA Operational Safety Audit (IOSA) and ISO 9001:2015.

From the COVID-19 situation, which resulted directly in the airline industry’s suspension of international flight, Thai AirAsia has decided not to extend its IOSA until the circumstances of international flights improve. Nonetheless, Thai Airasia continues to maintain standards in terms of quality, safety, regulations, and procedures in all areas of operation. The process of annual audit from Group Operational Quality Assurance (GOQA), refers to IOSA safety standards in addition to ensuring that all units continue to perform quality work and meet customer satisfaction. The ISO 9001:2015 audit is also ongoing.



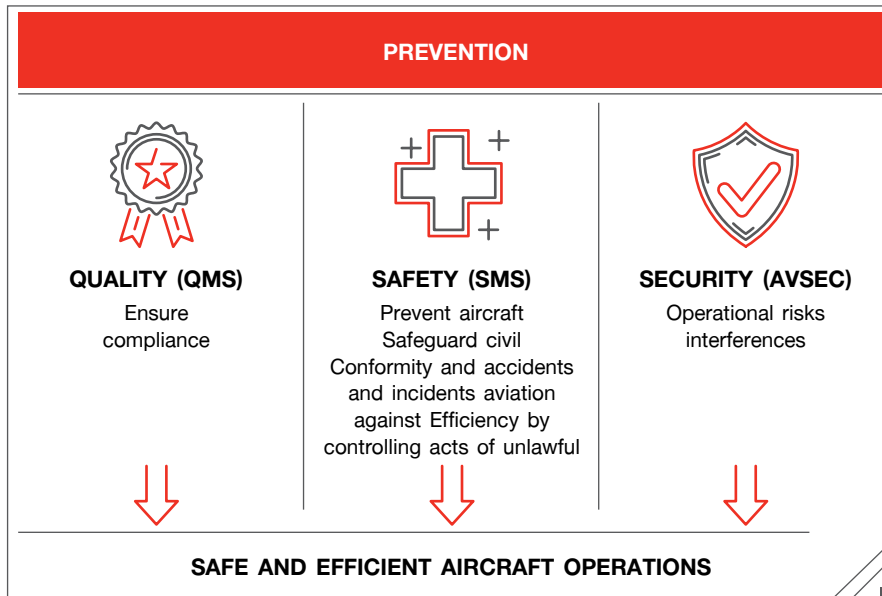


1.3.1 Quality Assurance Audit

The Quality Assurance Department of Thai AirAsia performs remote audits on areas subject to travel restrictions from 2020, in order to ensure the continuity of auditing and quality control as well as to reduce capital costs and expenditures related to auditing while still maintaining performance quality.



1.3.2 Work Collaboration Pillars (Quality, Safety, Security)



“Safety” is at the heart of Thai AirAsia’s operation. Collaboration within Thai AirAsia is built upon three pillars designed to increase efficiency as well as the safety of operations. The three consist of Quality, Safety and Security. The Chief Executive Officer chairs a quarterly meeting assessing internal accident and incident reports and sets guidelines for improvement of both operation and assessment with the goal being to keep the rate of accidents and incidents within an acceptable range or at zero. As mentioned, work collaboration pillars will devote great importance to Safety Risk Assessment cover as follows;

- Level 1 and 2 flaws uncovered by internal inspections of the Quality Control Department.
- Risk reports from operational personnel.
- Changes to operational procedures, equipment and tools.
- Safety Performance Indicators for flight operations and the operations of each department

After the Safety Department assesses risks, the Quality Control Department performs an on-site audit, checking through each area of assessment to ensure proper implementation.

1.3.3 Dangerous Goods Safety Management

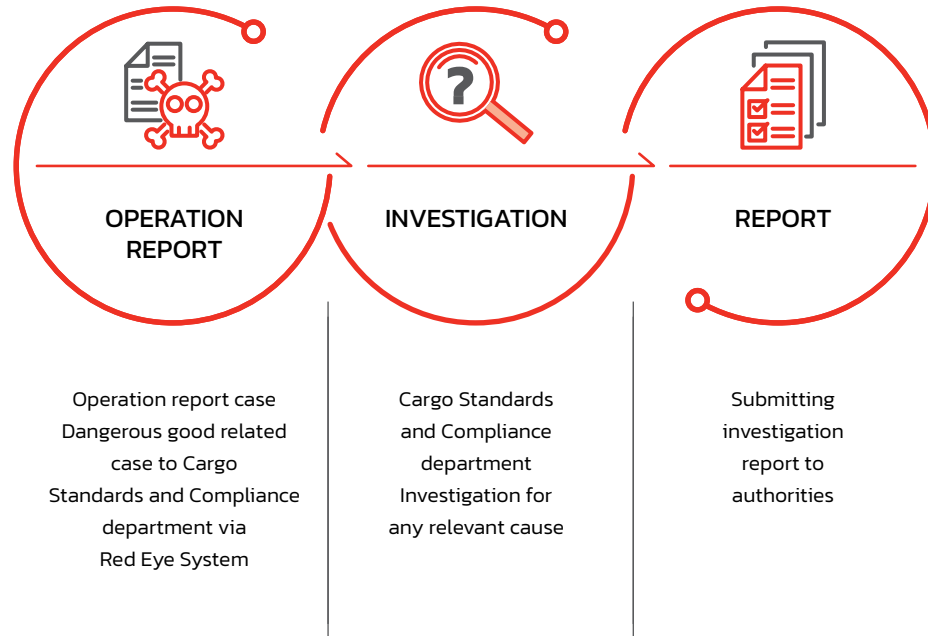
In 2021, Thai AirAsia was certified to be able to transport dangerous goods in accordance with the requirements of the Civil Aviation Authority of Thailand (CAAT). In order to guarantee safety, the company has established a Dangerous Goods Committee that brings together representatives from relevant departments and holds monthly meetings. This will be an important factor in the regulation of air transportation of dangerous goods for airlines. The meeting topics are as follows;

- Changes in regulations or procedures
- Report and analyse incidents in related to dangerous goods safety
- The inspection result of process in related to dangerous goods safety



Dangerous Goods Report Process

As a part of the operational audit related to dangerous goods shipment, the Cargo Standards and Compliance department will be responsible for reviewing the procedures and processes, including reporting information and investigation results to CAAT.



1.3.4 Quality Assurance in Action

Website Announcement

Publish the latest information and adapted to the quality program's requirements, including a commitment to continual improvement

Management Review

Compliance and operational quality are monitored and improved on a continuous basis via management level

Guest Service Reminding

Establish a positive connection with customers and recognize consumer demands while adhering to quality and service obligations.

Crews Quality

Ensuring that employees have the necessary knowledge and skills in order to customers satisfaction, passenger confident and aircraft safety

Organisation Knowledge

Employees' ability to work must be maintained by a constant system of education and training, and have an effective risk management strategy

Food Quality

Assuring that all food products and procedures adhere to all applicable rules and requirements



2. Technology, Innovation and Information security

(GRI 102-44, 103-1, 103-2, 103-3)

2.1 Technology and Innovation

Commitment

Thai AirAsia committed to keep its operation cutting-edge and sustainable by using technology to stimulate innovation and translated into effective practical applications in accordance with its mission to apply technology to maximise the efficiency of its products and for the care of all stakeholders.

Even now, the influence of COVID-19 has impacted everyone's daily routine. Innovation and technology are therefore the key factors in driving and optimising the capabilities across all activities. As a result, Thai AirAsia has consistently developed products to meet the requirements of stakeholders. Even if the lockdown situation causes a delay in implementation, we take this situation as an opportunity to test the limits our innovation. Thai AirAsia has used the resources and continues to develop, in response to fulfil the demand.



2.1.1 Contactless Check-in Continuity

Due to the COVID-19 situation resulting in measures for social distancing and reducing contact with equipment in public spaces, the Guest Services Department collaborated with the company's ICT Department to develop an airport check-in system that circumvents contact with staff and equipment in the interest of the health and safety of passengers and staff.

The departments upgraded check-in kiosks that previously required contact to input data to allow for the scanning of QR codes that facilitate check-in via the passenger's own smartphone. Development began on 21 May 2020 and continues.

Result and Target

By 2021, contactless check-in will account for 22.9 percent of all domestic check-ins. Additionally, the contactless check-in efficiency has been flawless.

2.1.2 Introducing RPA Technology

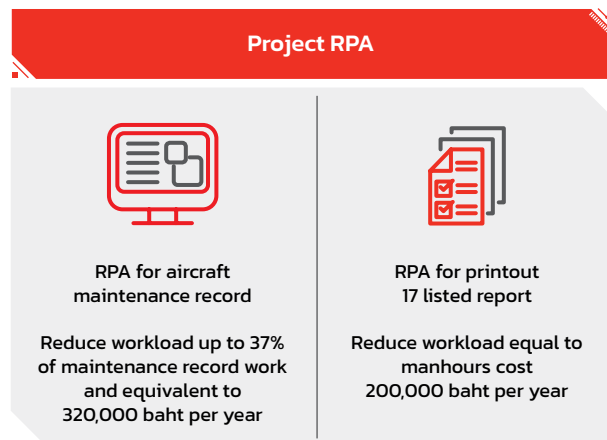
Thai AirAsia has developed working methods on a regular basis in order to maximise efficiency. The amount of working time and the efficiency with which each job is performed are the critical factors. Business understands the significant importance of introducing new technology must be implemented throughout the organisation's all sectors, where improvements are expected from the foundation. The company has started by developing certain types of repetitive work patterns and workload that double as the number of aircraft increases, resulting in a dramatically increased effort that requires significantly more manpower and time. Thai AirAsia has emphasised the importance of manhours. As a consequence, RPA has been studied and developed in order to mitigate the ensuing strain and reduce human error.

Employees have been encouraged to initiate the project to define objectives and expect results. As a result, it is forwarded to management for approval before the new system can be officially deployed to replace the old system.



Result and Target

Engineering Department researched the use of the RPA tool for data recording into the database system. To decrease the amount of time spent on recording and reporting by Technical Record staff. In April 2021, the prototype program was as follows:



In the process of developing the RPA program, the Engineering Department established a dedicated working group consisting of members from each division. To invent processes that can be automated with the aim of having RPA programs take the place of repetitive tasks. The working group is internally trained in basic use and collaboratively builds the RPA program on a continuing basis. Thai AirAsia has established long-term aims to build an RPA program to automate repetitive procedures throughout the company's divisions. Not limited to the Engineering Department, this initiative is planned to grow into a comprehensive in-house working program.

2.1.3 Chatbot for Quick Reference

According to our working standards, the data utilised in each operation must be accompanied by reference documentation. Thai AirAsia recognised a chance to introduce a database and communication system. This enables the development of chatbots to decrease the time spent looking for references and collecting data from central sources.

Result and Target

The company has developed and built chatbots to support locating employment references. Providing answers to commonly posed questions, employees may add chatbots using the Line application, and it has been used in the Flight Operations and Engineering Departments since January 2021.

2.2 Information Security

Commitment

Thai AirAsia aims to drive the development of systems and processes to maintain consistent data security standards. Data is a crucial resource for analysis and operation control toward providing quality services to customers, stakeholders, and related agencies. Thai AirAsia implements Capital A's standards to correspond to the current circumstances.

2.2.1 Information Security Management

Cyber security Framework

The cybersecurity framework of Thai AirAsia is adopted from Capital A's standard of practices (SOPs) and divides data as follows:

Data Type

- Customer Data [C]
 - Private and Customer input data
- Service Data [S]
 - Business data
- Company or AirAsia Data [A]
 - Data of Thai AirAsia

Data Level

- Level 1: Public
 - Data disclosed to all parties relevant to Thai AirAsia
- Level 2: Internal
 - Sensitive data only available for internal disclosure
- Level 3: Confidential
 - Legal or contractually bound data or data that could cause damage to the business if leaked

From the information received both inside and outside the organisation that has a digital storage format, Access will be limited based on the criteria that are specified and will provide a unique password according to the level of information. It must be held on devices or servers that have been approved by the AirAsia Group's information security department. Thai AirAsia will be governed by the ICT department. Install, administer, monitor, and solve issues for the organisation's users of information and information technology systems.

The information security policy evolved from the ISO 27001 Information Security Standards' core standard, which advises and helps company understand the risks and vulnerabilities associated with data protection and The Payment Card Data Security Standard (PCI DSS) is an international standard for raising the standard for payment card data security. The security controls are managed by the PCI Security Standards Council (PCI SSC)



2.2.2 Cyber security Management

To anticipate the ever-changing dynamics of cyber threats, Thai AirAsia has built a process for annually reviewing, developing, and testing data security. Additionally, security measures have been implemented to defend against cyber attacks. By evaluating the current state of the environment and emerging risk factors, along with its group of Capital A cooperated with Google to build a data security system based on the Cloud. The system is constantly monitored for security breaches by the Information Security Department, which has set protocols. To report and resolve issues in the following manner:

2.2.3 Cyber Security Operation and Maintenance

1. Evaluation and KPI

The department is divided by area of oversight and service into three divisions, ICT Server, ICT Network and ICT Desktop or ICT Support. Each of the three has its own KPIs as follows:

1.1 KPI System Target : All servers within the company must be operational with Server Availability to not be less than 97% per month.

1.2 KPI Network Target : Network connections must be operational and connected to the various systems of Capital A to facilitate operations. Network Availability must not be less than 97% per month.

1.3 KPI Support Target : Support must solve ICT issues within allotted timeframes no less than 97% of the time in a month

Level 1 issues must be solved within	3 hours
Level 2 issues must be solved within	1 day
Level 3 issues must be solved within	3 days
Level 4 issues must be solved within	5 days

2. Cyber Security Education and Training

Thai AirAsia cooperates with the Information Security division of AirAsia Group. To develop a material “Information Security Awareness” in order to enhance knowledge and engage employees’ awareness of information security. The Employees must complete at least one hour of training each year and develop a resource for further information security study.

3. Cyber Security Incident Mechanism

Process for Cyber Security Incident Mechanism, to minimize the effect of an attack on operations, the Information Security division has classified threat levels, remediation plans, warning systems, and work protocol

2.3 Response to the COVID19 Pandemic






Commitment

The ICT department is prepared to validate tasks undertaken outside the office during the COVID-19 pandemic crisis. To facilitate the work-from-home policy, the ICT department has provided workers with laptop computers. In terms of security measures for usage from non-company networks, The company’s information security department has established a system for linking laptops to the company’s secure network. to minimise the likelihood and impact of information security threats.

The company has established a technical readiness system to accommodate employees’ demands to work from home. secure access to business data through the company’s security network (VPN), as well as collaboration with cybersecurity protection measures. The company has recommended staff to use Google Meets as well as other office programs so that employees can perform efficiently and continuously.

Result and Target

From the operating resulted in 2021, Thai AirAsia archived the target as follows

	Target	2021 Result
KPI 97%	 System : Server Availability  Network : Network Availability  Support : Ontime Solving Issues 97%	100%
Zero Incident	 Zero Cyber Security Incident  Zero Information Insecurity Complains	ZERO



3. Sustainability Supply Chain (GRI 102-9, 103-1, 103-2, 103-3, 414-1)

Commitment

Thai AirAsia is committed to sustainability supply chain management. To maintain a high standard of service and airworthiness. Supply chain management therefore focuses on the standards of partners and products, along with 3 topics: economy, society, and environment.

3.1 Value Chain

Our partners are passed through a procurement and assessment process based on company policies seeking to ensure their product and service procurement procedures are sustainable and ethical. Thai AirAsia applies a Supplier Code of Conduct (SCOC) drafted by AirAsia Group to its partnership and indicates such in its partnership agreements. The SCOC encompasses the following principles:

- Business Integrity and Conflict of Interest
- Labour Practices
- Confidentiality and Personal Data Protection
- Environmental Health & Safety Management
- Social Responsibility
- Competitive Pricing & Terms

3.2 Sustainable Supply Chain Management

Maintaining a sustainable supply chain is essential to the company's performance. Risk assessment of the supply chain is thus critical when evaluating vendors to avoid any negative economic, social, or environmental impact on the company's activities.

Thai AirAsia has designed a supply chain management policy for evaluating partners, beginning with the supplier recruitment process and product evaluation. Also, support business partners in operating their business with social and environmental responsibility and good governance.

The company has classified its partners into product groups based on their involvement in all aspects of the aviation value chain to conduct an analysis of the significance and effect of each action

Material Procurement Type



3.2.1 Supplier Qualification Questionnaire

Supplier Qualification Questionnaire is a tool to ensure that partners are subject to the terms and conditions of procurement process, evaluation, company's process and business ethics.



3.2.2 Supplier Code of Conduct

Thai AirAsia has conducted a regular review of its business partners' codes of conduct and actively encourages their partners to understand and comply with the company's criteria. The company is concerned about safety regulations, good governance practices, business ethics, and regular compliance. The Code of Conduct of Thai AirAsia for partners is from the International Labour Organisation (ILO), which covers human rights, transparency, anti-corruption, partner equality and social responsibility.

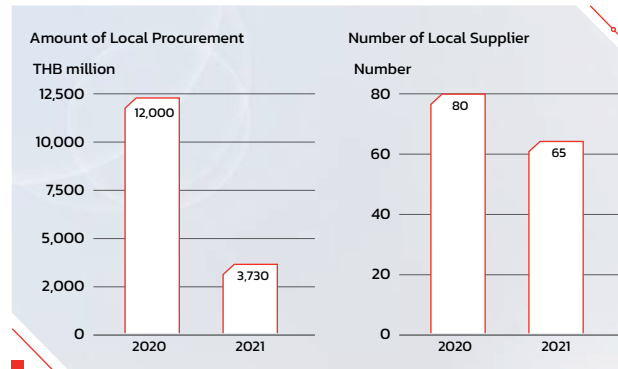
3.2.3 Credit Term

Thai AirAsia is aware of the difficulties and costs of maintaining financial liquidity in the ongoing economic situation. Thus, credit term management and the condition of timely payment are crucial parts of continuing business operations. The company has extended the credit term depending on the company's trading partners and considering various factors such as the duration of the business relationship, type of product, product quality, and business size of business partners (small, medium, or large). The company has set up an appropriate credit term duration in order for partners to do business in a continuous and sustainable way. In 2021, the company averaged a 45-day credit term.

3.2.4 Performance Sustainability Supply Chain

Besides the aircraft equipment, the majority of which is supplied by overseas companies. However, Thai AirAsia attempts to source partners or products from local and regional businesses. In order to promote and upgrade the domestic industry, including reduce the carbon emissions arising from the export of goods from overseas.

Local Procurement Statistic



In 2021, due to the economic downturn, the company has to restrict expenditure to only essential to operate the business and only to the degree necessary to sustain the company's liquidity. Therefore, the amount of expenditure on procurement of supplies decreased by 8,220 million baht from 2020 to 2021, and the number of local supplies decreased from 80 to 65, as the company reduced spending to meet only business needs.

3.2.5 Supplier Performance Evaluation

Every year, the company conducts an assessment of its partners' efficiency. The indicators designed on the basis of the partners' work standards are as follows:

1. Product Worthiness
2. Product Quality
3. On-time Delivery
4. Supplier After Sales Service and Response
5. Innovation Initiative

After evaluating the process, the procurement department will analyse the performance of partners to be used as consideration of the next purchase. It was determined at the Supplier Assessment Audit in 2021 that the suppliers fulfilled all assessment requirements. The purchasing department has gathered assessment data and intended to assist partners in improving their standards in the future.

3.3 Sustainability Initiative

Thai AirAsia is dedicated to ensuring partner sustainability. To ensure that partners expand steadily together, the company has implemented value analysis and value engineering techniques to analyse the functionality of a product or process that may be optimized for cost savings, which has no effect on employee qualifications, quality, or safety, as part of a strategy to increase collaboration between the organization and its partners on product development. By 2021, the corporation will have saved up to 32 million baht through this strategy.

3.4 Management Approach 2022

Thai AirAsia aims to continuously improve its supply chain management system. In addition to the yearly partner assessment, the company intends to support partners in developing a sustainable business through analysis. In this order, it enables partners to bring up concerns raised during the evaluation. It has been used to optimise the operational process in terms of economic, social, and environmental considerations.



4. RISK AND CRISIS MANAGEMENT

(GRI 102-11, 102-33, 103-1, 103-2, 103-3)

Commitment

Thai AirAsia is committed to practising Enterprise Risk Management in accordance with ISO 31000 framework by performing Risk identification, Risk Analysis and Risk Evaluation of both internal and external factors, to make sure it remains at acceptable levels.

4.1 Risk Management and Structure

In a rapidly changing situation, Enterprise Risk Management and continual situation awareness are techniques for mitigating operational effects. As a result, risk management is an essential pillar of good corporate governance. This is a critical foundation that enables the business to fulfil its goals sustainably. It is beneficial to strategies across all stakeholders within the scope of the risk management structure.

The Risk Management Committee; Executive Chairman, Chief Executive Officer and core executives had been appointed to collaborate with the Risk Management Department which is responsible for coordinating between operational staff and executives to promote correct understanding of risk management as well as emphasising the corporate culture across all employees. Thus, this creates an understanding of the importance of risk management and the practices can be applied throughout the company, bringing about effective risk management and strong returns. The Risk Management Department is also tasked with compiling risk reports for presentation to executives on a quarterly basis, detailing the company's risk status to management to be aware, monitor, evaluate and take immediate action to reduce risks to an acceptable level.

The company set a target for all staff, at all levels, to complete training on risk management to promote awareness of the importance of risk management and risk management practices as well as to disseminate operational practices that effectively manage the company's risks. The Risk Management Department created the Risks Management Awareness E-Learning course and distributed it to all company employees to attend. In 2021, the notice has been sent to employees about Risk Management Awareness to all staff via email

The company organises Risk Management Committee meetings at least two times a year to ensure effective risk management. The committee approves risk management policy for the company and declares them to all staff for implementation.

4.2 Risk Management Process

For 2021, several events continuously posed risks to the company since 2019. The significant risk of company such as COVID-19, which brought about myriad changes to aviation. Nonetheless, the company's risk management apparatus employed ISO 31000 risk management tools to address these risks, dividing risks into four groups for effective management:

1. Operational Risk
2. Strategic Risk
3. Financial Risk
4. Compliance Risk

Additionally, the company focuses on proactive risk management. by identifying and assessing new risk variables that may be associated with the original risk, as well as analyzing the trend of the current situation, the company will remain updated with changes in various risk variables, and manage relevant issues that could have an effect on the corporate goals.



4.3 Emerging Risk Countermeasures

Risks are classified into five areas in the Global Risks Report: economic, environmental, geopolitical, social, and technical. as a consequence of rapid technology advancement, climate change, data security, and cyberattacks along with the likelihood of encountering such threats continuously growing.

The COVID-19 outbreak has even been responsible for the economic slowdown. Nevertheless, it has resulted in the digital revolution of human interaction, whether through online education, long-distance conferences, or work-at-home opportunities. These developments have created their dependence on digitalization. Thus, data management and technology security (Data Security) is a risk concern to which the company specifically focuses importance. Despite the economic recession, CO₂ emissions into the environment dropped in comparison to 2019, Climate change-related risks are still a crucial issue in world industry. Risk management department has integrated these issues into the risk management practices of each department and across staff of all levels for enhancing risk management efficiency.

Details on Significant Risks and Risk Management Practices are Displayed in Section 2 of the Annual Report: Risk Management.

The company maintains a policy for business operation that adheres to the highest ethical standards and is committed to protecting confidential company information, operating with honesty and in compliance with laws and regulations, mutual respect and maintenance of assets and the surrounding environment. The company's Board of Directors, executives and staff all prioritise these values and understand that strict compliance is their duty. Training courses on business ethics were created for new and existing employees:

1. Code of Conduct Training
2. Anti-Corruption & Bribery Policy

4.4 Business Continuity Management, BCM

Business Continuity Management has an objective to ensure Thai AirAsia's ability to continue business operations in spite of the crisis. A team was formed to create flexibility and readiness to handle any possible changes under framework of ISO 22301 standards.

The COVID-19 situation and its impacts on the aviation industry, Thai AirAsia has adapted its operational procedures based on experience and learning to minimize business disruption until it becomes ingrained in the organizational Safety Culture. In 2021, all key departments improved their business effect analyses by partnering and communicating regarding the execution of policies.

1. Work from home and division of teams for operation
2. The protocol of entering office buildings and work seat allocation to prevent infection.
3. Responding to changes in aviation operating regulations

For business continuity in 2022, principles from 2021 will be maintained with frameworks for collaboration between departments to be expanded to ensure that the BCM is responsive to all possible crisis and changes. Analysis of effects and the results of tests and practical trials will also be used to enhance BCM.



SUSTAINABLE STRATEGY : GREEN

5. Climate Strategy

(GRI 103-1, 103-2, 103-3, 302-1, 302-4, 305-1, 305-2, 305-4, 305-5)

The consequences of global warming have become much more significant. Climate change is an issue that has grown in severity each year and is classified as a high-risk issue by the World Economic Forum. The aviation sector plays a role in this problem, as 2.5 percent of global harmful gas emissions are from the sector. An inevitable result of such an impact, enables us to see phenomena that occur around the world, such as floods, extreme weather and insufficient water supply. Furthermore, the aviation industry must face a higher level of standardisation and verification to guarantee that airline operations have a minimal environmental effect.

Commitment

Thai AirAsia is committed to climate responsibility, as well as supporting the goal of reducing Thailand's greenhouse gas emissions. Maintaining the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) initiated by the International Civil Aviation Organisation to contain and offset carbon emissions into the atmosphere, Thai AirAsia has set long term goals for maintaining its carbon emissions to no greater than the base rate set in 2019. AirAsia Group has established a database to monitor fuel usage and carbon emissions to reduce greenhouse gas emissions while maintaining the high level of safety.

5.1 Environmental Management

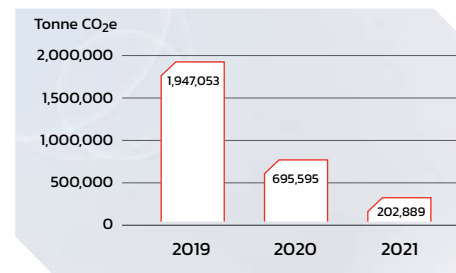
Environmental management is one of the responsibilities of the Sustainability Committee. Under the direction of head department, the activities are managed in accordance with sustainability principles.



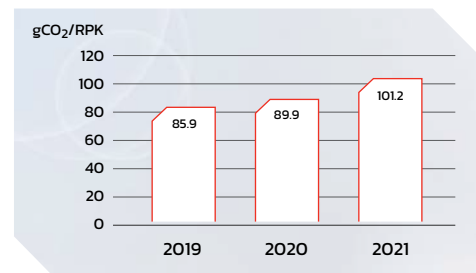
5.2 Operational Eco-efficiency

Fuel efficiency is a critical factor that allows Thai AirAsia to significantly lower operating costs. Operational eco-efficiency has been implemented since 2018 and new initiatives are continuously added to the project plan until it becomes a Green Operating Procedure. In such procedures, the flight instructions are stated in detail, in order to maximise efficiency across dimensions, whether fuel reduction or reducing noise pollution, while

CO₂ Emission over the Past 3 Years



Intensity of CO₂ Emission (Revenue Passenger Kilometre) [g-CO₂/RPK]





Due to the continuous COVID-19 pandemic over the last two years, the total annual flight volume has been drastically reduced. As a consequence, Thai AirAsia's fuel consumption and CO₂ emissions into the atmosphere were reduced by 70%, with limitations on cross-country travel. However, with restrictions on cross-country travel plus measures to limit the number of passengers per flight along with passenger insecurity, the consequences of Carbon Intensity Ratio (gCO₂/RPK) significantly increase compared to 2020 numbers. Despite our best efforts to utilize the fuel-efficient A321neo, the Carbon Intensity Ratio does not reach the target of reducing 3 gCO₂/RPK/year. We expect the travel restrictions will likely be reduced.

Green Operating Procedure



12 litres/flight

Reduce Flaps Landing, reducing fuel usage by approximately

7 litres/minute

One Engine Taxi on Arrival, reducing fuel usage by approximately

3 litres/flight

Packs Off Take off, reducing fuel usage by approximately

6 litres/flight

Idle Reverse Landing, reducing fuel usage by approximately

5 litres/minute

Weight Reduction from Flight Document, reducing fuel usage by approximately

7 litres/minute

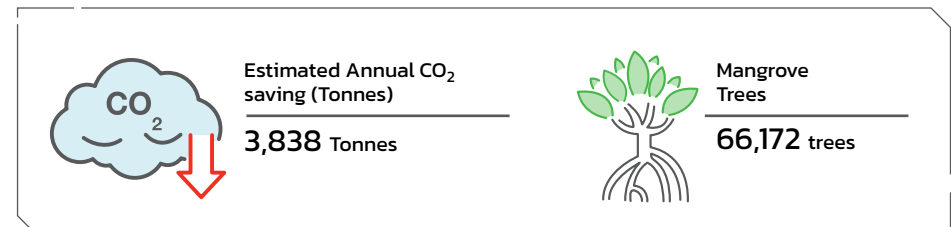
One-Engine Taxiing, reducing fuel usage by approximately

Green Operations Mitigated Environment Impacts

Thai AirAsia has continued to reduce its GHG emission through the Green Operating Procedure project with result in 6 main activities as follows:

Green Operating Procedure	Result and Total Co2 avoided in 2021
One Engine Taxi Departure	Reduce fuel usage by approximately 7 litres per minute CO ₂ avoided = 187 tons
Reduce Flaps Landing	Reduce fuel usage by approximately 12 litres per minute CO ₂ avoided = 781 tons
Idle Reverser Landing	Reduce fuel usage by approximately 6 litres per minute CO ₂ avoided = 406 tons
One Engine Taxi on Arrival	Reduce fuel usage by approximately 7 litres per minute CO ₂ avoided = 491 tons
Packs Off Take Off	Reduce fuel usage by approximately 3 litres per flight CO ₂ avoided = 166 tons
Weight Reduction (Electronic Flight Bag : EFB)	Reduce fuel usage by approximately 5 litres per minute CO ₂ avoided = 61 tonnes

The Flight Operations Department of Thai AirAsia maintained the procedures as targeted in 2019 and 2021 the airline was able to reduce overall fuel usage by 3,838 tonnes of carbon emissions, equivalent to 66,172 mangroves trees.





5.3 State Action Plan

Aviation-related greenhouse gas emissions It is a critical statistic for determining the efficiency and sustainability of flight operations. Thai AirAsia had also joined the discussion with the International Civil Aviation Organization to oversee such achievement through several performance reports. To come up with strategies for reducing greenhouse gas emissions from international aviation, termed the “State Action Plan” (SAP).

The ambition is to stabilize greenhouse gas emissions in the worldwide aviation industry by 2020 (Carbon Neutral Growth) and to enhance jet fuel efficiency by 2% each year until 2050 (2% Annual Fuel Efficiency Improvement Through 2050). CAAT has regulatory measures. To contribute to the State Action Plan for Energy Conservation and Greenhouse Gas Reduction in the following :

- Encourage stakeholders in the aviation industry to participate in energy conservation and greenhouse gas emission reduction efforts.
- To support the use of Sustainable Aviation Fuels in Thailand.
- Domestic carbon credit system as an alternative to compensation Trading or exchanging to support the compensation of airlines under the CORSIA.

5.4 Sustainable Aviation Fuels

One significant strategy to support airlines in reducing carbon footprint is through the use of Sustainable Aviation Fuel (SAF), which has the potential to reduce carbon emissions by up to 80 percent throughout the fuel life cycle compared to traditional jet fuel. By 2050, ICAO has proposed the direct replacement of aviation fuel as well as other fossil fuels with the appropriate use of SAF.

Thai Airasia has studied and evaluated SAF and Airbus has confirmed that its aircraft and engines can function on 50% SAF mixture ratio. Currently, the primary impediment to utilizing SAF is the high cost, which is around 5-7 times the price of normal fuel. Additionally, there is no service in Thailand or the ASEAN region. However, the company believes, will transform beginning in 2022.

5.5 Management Approach

For future plans, Thai AirAsia is committed to source the innovation and efficiency of operation ways to reduce fuel consumption. Also setting the target to control carbon emission to not exceed the Baseline (2019), in which compliant with ICAO in CORSIA project.

Emission Data

Scope	Category	Indicator Measured	Emissions Sourced
Scope 1	Direct GHG emission	Fuel consumption	Flight operations
Scope 2	Indirect GHG emissions	Energy consumption (Office/Building)	Purchased energy of main base facility (DMK)

Scope 1 Emissions

Scope 1 Emissions from flight operations	2019	2020	2021*
Fuel Consumption (tonnes)	616,156	220,125	64,205
Total Scope 1 Emissions (tCO ₂ e)	1,947,053	695,595	202,889

Thai AirAsia’s disclosure of scope 1 emissios does not include ground operations, and flight operations adhere to CORSIA’s Block-On, Block-Off methodology.

The company evaluates the green house gas emissions in accordance with TGO standards and estimates them in accordance with the emission factor under CORSIA. Thai AirAsia intends to increase the development of electric vehicles and parking equipment to mitigate the impacts of climate change. In this approach, the company will review readiness for operation and engage with stakeholders.

Scope 2 Emissions

Thai AirAsia’s scope 2 disclosures cover emissions associated with energy consumption of main base facilities (Don Mueang) (Other hubs and stations are not included.) Thai AirAsia evaluates and estimates greenhouse gas emission in accordance with TGO standards.

Scope 2 Emissions	2019	2020	2021*
Electricity consumption (kWh)	2,761,467	2,042,789	1,858,859
Total Scope 2 Emissions (tCO ₂ e)	2,054.53	1,519.84	929.20

*Assurance has been provided by EY Office Limited.



6. Waste Management

(GRI 103-1, 103-2, 103-3, 303-1, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5)

6.1 Waste Management Framework

Commitment

Thai AirAsia committed to manage waste from operation and daily life. Waste management is the foundation of every organisation's waste management strategy. Without proper waste management, a substantial amount of waste will be disposed by the company. As a result, the company's aim is to constantly reduce waste that goes to landfill to "Zero", and build a network of associated groups that cooperate on waste management for maximum effectiveness.

6.1.1 Waste Management Principle

Thai AirAsia strives to achieve zero waste on the circular economy concept, which comprises rejecting to use resources that are not ecologically friendly (Refuse), decreasing use (Reduce), reusing (Reuse), processing for reuse (Recycle), and repairing to be used again (Repair).

5Rs Principle	Strategic Objective	Action
Refuse	Reducing use of resources and manage waste disposing process	Co-working with supplier and stakeholder to develop method to reduce disposal product
Reduce		Optimize plan of usage of resources to reduce consumption
Reuse	Increasing reuse of waste and reducing it through workflow improvement	Increase reuse of usable of equipment
Recycle		Cooperate with partners to maximize recycle of waste and increase recycle rate
Repair		Repair the repairable equipment for reuse and minimize purchasing new unit

6.1.2 Public Community Participation

Thai AirAsia has cooperated with the Securities and Exchange of Commission (SEC) as a part of Thailand Responsible Business Network (TRBN) to participate in the second years of Vibhavadi Zero Waste programme, sharing its information and skills at seminars and applying acquired knowledge to maximise the efficiency of its waste termination. In 2021, Thai AirAsia increased its recycle waste ratio to 88.1 percent from 55.7 percent in 2020, most significant improvement by converting food waste into animal feed and industrial fuel through coordination with JDP Technology.

6.1.3 Dangerous Waste Management from Pandemic

Due to the COVID-19 pandemic's escalating condition, safety measures have been implemented to counteract the spread of germs and prevent the transmission of infection. This has resulted in an increase in infectious waste in relation to the number of flights. Infectious waste must have a process for isolating and disposing of the proper infectious waste in accordance with the Department of Disease Control's guidelines.

Thai AirAsia has taken further precautions to ensure passenger safety and trust in the airline's service. The organisation has a procedure for disposing of hazardous garbage that involves entirely separation and placement in a red trash bag before delivering it to the airports of Thailand for disposal, as well as underlined and instructed waste sorting employees of the company on safety requirements of JDP Technology Ltd.,



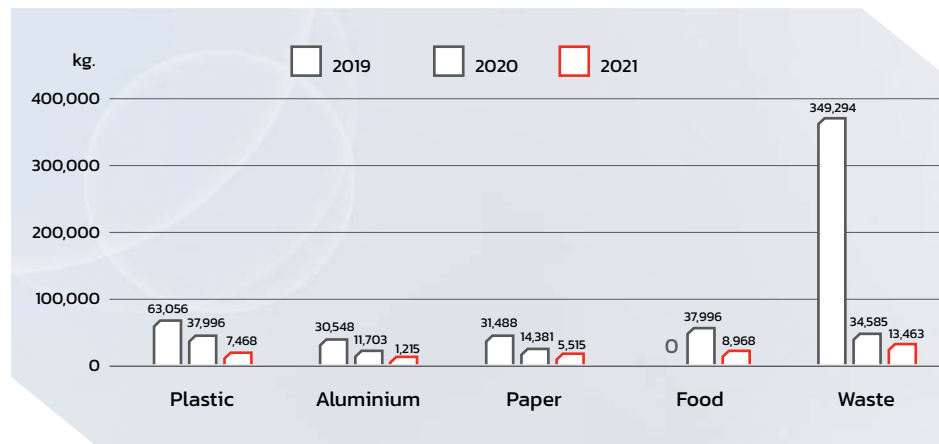


6.1.4 Result and Target

Zero Landfill Waste by 2023

The year 2021 results address the effects of the COVID-19 crisis, which resulted in an increase of hazardous waste and non-recyclable garbage as a consequence of the strategy to prevent infection during public transportation, which included a large drop in the number of flights. As a result, actual waste decreased proportionately. However, the company has established aims to strive toward achieving a recycling rate of less than 80 percent of the total weight of waste, and the company can achieve the goal with a waste recycling rate of 88.1 percent.

Waste data over the past 3 years

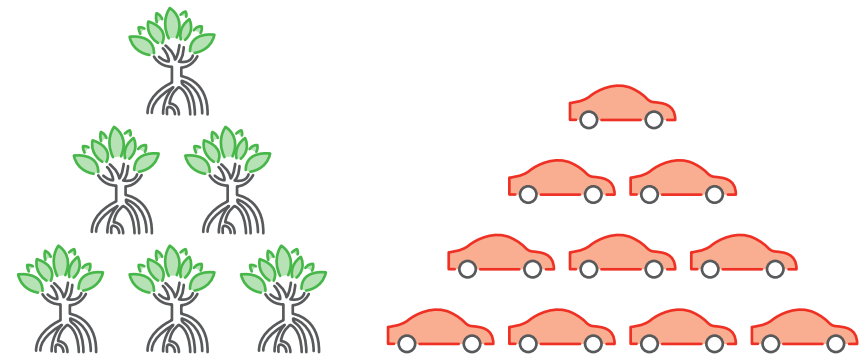


	Target	2019	2020	2021
Recycle Rate (%)	> 80	26.4	55.7	88.1

From the company's ongoing waste management operations As a consequence, the company was able to expand its waste management capabilities. By committing to a Zero waste to landfill target by 2023, the company will continue to be part of the "Vibhavadi No Waste" campaign. To establish a collaborative network and set targets for waste management that result in zero landfill.

Measuring Results of Waste Management

Collecting data on a monthly basis, Thai AirAsia submitted its data to the Thailand Greenhouse Gas Management Organisation (Public Organisation) for consideration of inclusion in the Low Emission Support Scheme (LESS). The organisation decided to award Thai AirAsia a Letter of Recognition in acknowledgement of its zero-landfilled waste management and assessed that between 2020 and 2021, Thai AirAsia was able to cut its GHG emissions by an equivalent 50.078 tonnes of Co₂, comparable to planting 863 mangrove trees or circumventing the use of 512 automobiles (50 litres of Bensin fuel per one automobile).



Mangrove trees* = 863 trees

*Large mangrove trees with a 12 cm. circumference

Cars = 512 automobiles



6.2. Water Management

Commitment

Thai AirAsia committed to manage water resources in the most efficient manner on a continuing basis. Thai AirAsia conducted a water analysis in each region including the water used during each flight. Additionally, the company has attempted to repurpose (recycle) water in a variety of procedures for optimal advantage.

6.2.1 Ground Operation Water Resource

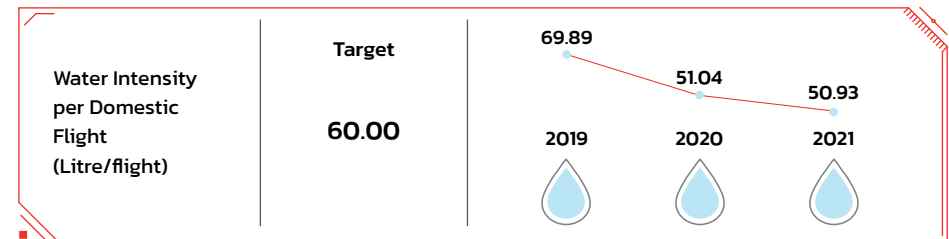
In 2021, Thai AirAsia established the target to manage water resources for ground operation usage. The company analysed and evaluated the company's utilisation of water resources based on historical data and has developed a water plant at the airport in accordance with the sustainable development philosophy in order to maximise resource efficiency and maintain high quality standards for 48,000 litres of water each day.

6.2.2 Water Use Reduction Strategy

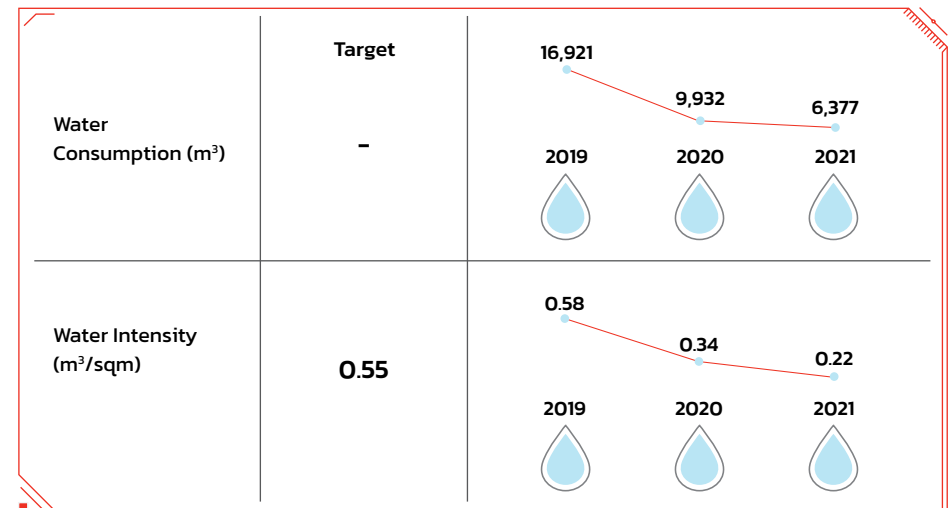
Apart from the water plant for ground operation usage, the Ramp Department has a strategy for maximizing water efficiency. By analysing the historical data to calculate the optimal amount of water for each flight and considering factors such as destination station and flight duration, the amount of water consumption possible is limited to 50 percent of full capacity in domestic flights and also lowers the aircraft's weight and unnecessary carbon emissions generated during each flight.

Thai AirAsia has established a target of lowering the cost of water purchased from external sources. As a consequence, after subtracting the equipment costs and other expenditures, it can reduce up to 450,000 THB per year. Also, we aim to reduce water fill-up on both domestic and international flights by setting a target to limit water usage to a maximum of 60 litres per flight. The company achieved the target of lowering water use in 2021 as a consequence of the work completed in that year using 50.93 litres of water per domestic flight.

Water Consumption of Domestic Flight



Water Consumption of Building



Reuse Water Strategy

Thai AirAsia has established a target of water reuse. The water source that is available to reuse is water that has been separated from the water purification process. Nevertheless, the water from such sources retains its excellent purity, allowing it to be utilised for various purposes. With the purpose of sustainably minimising water usage. The goal is to recycle more than 50 percent of the water removed during the water purification process.



SUSTAINABLE STRATEGY : GROWTH

7. Health and Safety (GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

Commitment

“Safety” is at the heart of Thai AirAsia’s operations and is an area in which the company is dedicated to development, application and adherence to strategies and processes, which are regularly adapted to ensure proper management of resources for the utmost safety of passengers, personnel and all others. This dedication is reflected in the company’s Safety Policy, Safety Management System, safety training for pilots, crew, company-wide staff and contractors and the company’s Safety Culture, all of which allow Thai AirAsia to operate with adherence to national and global regulations and international standards.

While the COVID-19 situation impacted the company over the past 2 years, Thai AirAsia continued to be proactive against accidents, losses and work-related disease. Thai AirAsia’s efforts in 2021 allowed it to meet its Safety Performance Indicators (SPIs). The company experienced zero fatal accidents (Target 0), zero work-related diseases (Target 0), a Lost Time Injury Frequency Rate that dropped from 2020 to 0.1 percent, (Target of less than 5.79 incidents per 1 million work hours) and a lower Injury Severity Rate (ISR) than 2020 of 0.14 percent (Target of less than 5.79 days lost per 1 million work hours). All combined, the statistics underline how the responsibility of safety is shared across the company, starting from its Chief Executive Officers and executives through to all employees.

7.1 Safety Management

Safety is our core value and our commitment to passengers. The company is therefore committed to operational safety with the intention of securing zero accidents. As a result, Thai AirAsia has implemented a safety management system to strengthen safety rules and company culture on a continuous basis. This assures the safety and reliability of each flight.

7.1.1 Safety Management System (SMS)

Thai AirAsia’s SMS is in compliance with requirements set by the International Civil Aviation Organization (ICAO) and aligns with the State Safety Policy (SSP).

(1) Safety Policy and Objective

The details of the policy regarding “Safety Policy and Objective” are listed in “Safety and Security”

(2) Safety Risk Management

Management and control of safety risks is carried out through a two-step process, consisting of; 1. Hazard Identification, in which risks and dangers are sought and classified by type, process, cause and conditions and information is collected, analysed and systematically broadcast; 2. Safety Risk Assessment and Mitigation, in which safety risk assessment outcomes are deemed acceptable or unacceptable, with unacceptable risks subjected to further analysis with the aim of setting prevention and mitigation measures

(3) Safety Assurance

Safety assurance is the creation of a system for risk management that provides assurance of safety from emerging risks that consists of:

1. Safety Performance Monitoring and Measurement
2. Management of Change
3. Continuous improvement and audit



(4) Safety Promotion

Safety promotion encompasses necessary safety training, safety communication and the fostering of a culture of safety among employees at every level

Safety Training 2021

Despite COVID-19's ongoing impact, the company has employed e-learning and online training to ensure that all employees have the sufficient understanding of safety to operate. Results of safety training in 2021 are as follows

Pilots and Crew (person)		All Staff (person)	
Crew Resource Management (CRM)	Emergency Response Plan (ERP)	Safety Management System (SMS)	Occupational Health Services (OHS)
1,741	2,208	4,327	2,353
Safety Emergency Procedure (SEP)	Human Factors (HF)	First Aid	Dangerous Goods Regulations
1,743	1,590	3,140	2,560

7.2 Safety Performance Indicators (SPIs) 2021

Thai AirAsia determines Safety Performance Indicators (SPIs) and monitors them through Safety Action Group meetings and Safety Review meetings while also maintaining equipment protection measures. Strategies include:

- Safety risk management to maintain risks at an acceptable level
- Providing strict safety training to all staff to ensure necessary operational skills as outlined in employee manuals, setting training needs for all staff and promoting awareness of daily safety practices such as safe driving and personal hygiene.

- Promoting safety awareness among all staff through activities such as voluntary reports, safety briefings, safety communications and Kiken Yochi Training (KYT).
- Safety supervision, implemented by setting responsibilities for all staff with executives and department heads responsible for ensuring their subordinates strictly comply with safety standards at all times.
- Dividing the Safety Working Group into four sub-groups according to operation line for highest efficiency, namely, Flight Safety, Guest Service Safety, Ramp and Ground Safety and Engineering Safety. The groups meet according to a set schedule to follow up on SPIs and report collected data to the safety meetings for reconsideration of safety strategies with the CEO chairing the meetings to receive briefings and issue orders.

Thai AirAsia systematically manages safety with the cooperation of all of its 5,404 employees across all of its departments. The coordinated effort allowed the company to meet all of its safety targets and placed safety incidents on a downtrend as follows:

Safety Performance Indicators (SPIs)	Target	Results		
		2019	2020	2021
Number of Fatalities	0	0	0	0
Work-Related Diseases	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	≤ 1.65 incidents per 1 million work hours	0.21	0.10	0.10
Injury Severity Rate (ISR)	≤ 5.79 Lost days per 1 million work hours	0.68	0.14	0.14



The company has changed the performance target as follows: LTIFR from ≤ 2.15 incidents per 1 million work hours to ≤ 1.65 incidents per 1 million work hours and ≤ 4.40 Lost days per 1 million work hours to ≤ 5.79 Lost days per 1 million work hours. The safety performance indicator's aim and target numbers may appropriately be adjusted on the basis of statistical and historical data analysis. Thereafter, it will be proposed at a meeting of the company's safety committee to approve the appropriate target numbers each year.

7.3 Safety Culture

Thai AirAsia promotes a Safety Culture, with safety appearing among the company's Allstar Values as "Safety Always" along with the message "Safety is Everyone's Responsibility and Starts with You". The company conducts an annual employee survey and last year, an assessment of 682 employees and discovered that 89.9 percent of employees were aware of Situation Awareness and Positive Safety Culture.

7.4 Aircraft Maintenance and Operation Safety

Thai AirAsia repairs and maintains its aircraft with expert aircraft engineers using EASA and FAA approved equipment and parts to ensure the safety of its aircraft and readiness to serve passengers.

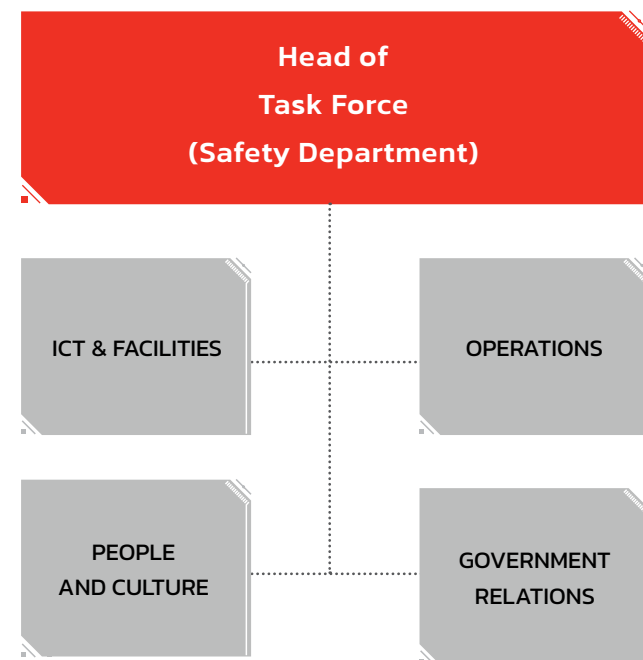
On top of adhering to maintenance standards, the Engineering Department also applies Kiken Yochi Training (KYT) to analyse and foresee dangers that can emerge from operation and has set prevention measures and methods divided among categories such as proper equipment usage and repair procedures. Each engineering team creates its own online accessible KYT diagrams and videos based on guidelines and instructions from aircraft, parts and equipment manufacturers to provide knowledge as well as promote awareness both before and during maintenance work. Also Ramp operation, KYT is embedded with KYT such as passenger baggage safety and ground equipment safety.

7.5 Sustainability in the Pandemic Era

Although the World Health Organization (WHO) rates the risk of viral infection in an aircraft as low based on analysis of data from the 2003 SARS outbreak, Thai AirAsia maintains measures to respond to an emergency outbreak encompassing passengers and staff as follows:

7.5.1 COVID-19 Response System

Thai Airasia has a plan to deal with the crisis and measure everything. To ensure the safety of employee partners and stakeholders. The company has formed a specific working group to facilitate the transition. including the development of a continuous business strategy throughout the pandemic.





7.5.2 Prevention of Employee Infection

As announced under the Emergency Decree for the health of employees and well-being of the public, including continuing business operations during the epidemic The Human Resources Department has a policy requiring staff to adhere to all applicable government regulations and the business complies strictly with the following instructions for personal safety procedures and extra precautions are continuously communicated to employees according to the country's epidemic situation.

Employee Guidance

The Safety Department has established guidelines for the employees' health and occupational safety. In addition, the people and culture departments established a policy to comply with government measures.

The organization has policies available to ensure employees return to work. Employees have been supplied with ATK testing equipment to enable workers to identify infections prior to entering the workplace. Additionally, staff must file a report online. To avoid contamination, no condition was detected among employees in the workplace in 2021. ATK was distributed to workers for testing in 2021, accounting for 96.5 percent of the total.

Additionally, employees are encouraged to take societal responsibility by strictly following the procedures aimed to prevent the spread of the epidemic. Discipline is required to perform at a high level and preserve good health by conducting a health survey to accurately reflect your health on a regular basis via an online survey form.

Providing Hygiene Products for Employee

The company has supplied and placed equipment to help prevent infection and spread such as alcohol gel throughout the department and meeting room, employees must check body temperatures prior to entering the workplace, provide proper protection equipment for employees, such as masks and medical gloves, for those who operate in high-risk locations. The office building has been sprayed using disinfectant and airside on a regular basis.

COVID-19 Vaccination Support

According to public health measures and coordination from the Government Relations Department, vaccinations are provided to organisations that are on the frontline in action. The company has established a program to ensure staff, as well as business partners, obtain vaccines on a planned basis. Additionally, the people and culture Department will monitor employees' symptoms after vaccination. Employees have the opportunity of requesting sick leave or working from home in order for employees to recover successfully

7.5.3 PROTECTION OUR SUPPLIER AND CUSTOMER

Measure for Passenger

Passenger Screening Measures

Thai AirAsia emphasised passenger screening in response to the COVID-19 situation, requiring passengers pass through temperature screenings. Passengers were also required to wear masks throughout their journey in the interest of safety from the virus with the airline maintaining the right to deny service to individuals refusing to wear a mask.

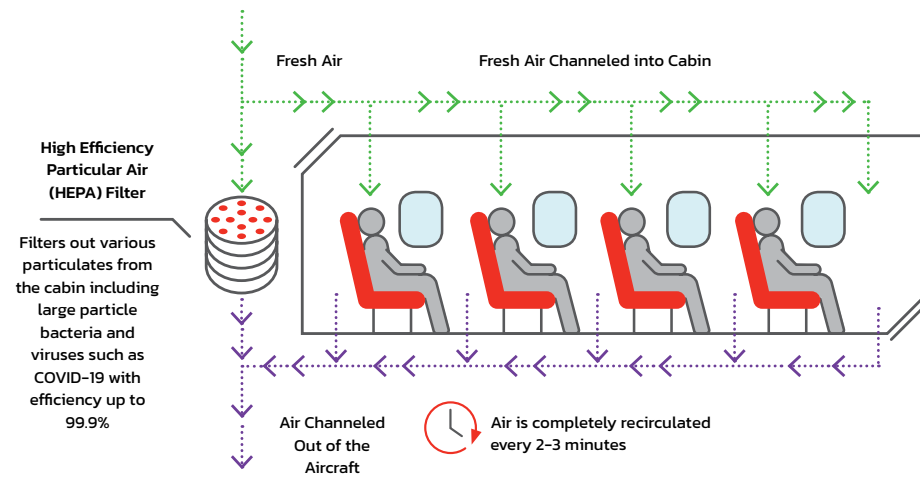




Social Distancing of Passengers

Thai AirAsia limited the maximum number of passengers allowed on its shuttle buses traveling between passenger terminals and aircraft to allow for social distancing, transporting the maximum of 50 people per bus.

HEPA filter



Thai AirAsia equips all of its aircraft with high efficiency air filters able to seize up to 99.99 percent of particles, viruses and bacteria down to 0.1-0.3 microns in size according to manufacturer testing, providing confidence of air quality in cabins. The filters perform close to those used in hospital operating theatres and industrial factory dormitories.

Cabin Disinfection

Disinfection is performed to protect against contamination of both humans and animals. Disinfectants are sprayed directly onto contact surfaces, baggage, cargo, containers, vehicles and products in all relevant areas. Sanitation is done in accordance with requirements outlined in the AIRBUS Aircraft Maintenance Manual

Measures for Passenger Flight

Despite several discoveries of infected passengers during these flights, there were no reports of infection among cabin crew, a testament to the efficacy of the airline's operations and measures. Charter flight cabin crew were provided guidance by the Bamrasnaradura Infectious Diseases Institute, the Department of Disease Control under the Ministry of Public Health and the Civil Aviation Authority of Thailand (CAAT) to ensure smooth operation on a basis of safety and disease control.

Measure for Partners

If partners are required to report to work or contact, the prevention of COVID-19 must be undertaken. ATK or RT-PCR must be submitted to the company's online system.

Measure for Temporary Visitors (Less than 1 hour)

Temporary visitors must schedule an appointment with the host and must adhere to measures such as maintaining social distance, masking on, hand washing, and temperature scanning.



8. Human Capital Development (GRI 102-8, 103-1, 103-2, 103-3, 401-1, 404-1, 404-2)

Commitment

Employees of the business It is regarded as one of the company's most significant parameters. Thai AirAsia is committed to recruiting and retaining talent. As a result, the organization has a strategy for employee skill development and to boost learning in order to accommodate the current economic system's changes. According to the sustainability strategy policy that focuses on building a positive corporate culture, the company invests in personnel development, both in technical and ethical abilities to promote the organization's sustainable growth.

8.1 Human Resource Management

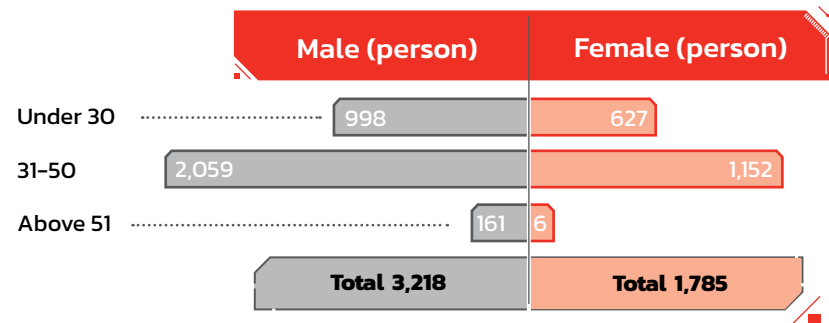
Thai AirAsia's human resource management process begins with the recruitment of employees who meet the standards specified in each area and ensures that salary and benefits are commensurate with the responsibilities. Included is the organization of training on basic operations with the company in order to develop employee knowledge and competency. In order to ensure that employees are confident and work efficiently. Employees will be directed by their supervisors on the results of their assignments while they are performing their responsibilities through a session between employees and supervisors to adjust or improve the efficiency of work.

Workforce Structure

The total number of Thai AirAsia employees is 5,003 persons.

Gender Equality and Diversity

Thai AirAsia focused on gender equality and diversity. In 2021, female employees comprised 35.68 percent of overall employment and 26.61 percent of management positions (Manager Level and HOD level).



Performance Evaluation

The performance evaluation process is used to determine an employee's potential. It will be held once a year. Employee evaluations are categorised as follows:

1.Employee Duties SPIs - SPIs agreed upon between the employee and their superior at the start of the year specific to their responsibilities and tasks.

2.Employee Self-Improvement - The Company acknowledges the importance of self-improvement through training and other means as well as through the sharing of experiences between employees.

3.Digitisation - The Company supports technological solutions for efficient operation and the reduction of redundancy as well as risk of error.

4.Customer Service - Employees are required to provide careful service and assistance to customers.

Allstar Value

In evaluating employees, the company acknowledges that on top of knowledge and skills for success, exercising the company's values also plays a part in good performance. For example, the company encourages employees to "Make it Happen", for them to develop any creative ideas they may have for more effective performance, that may reduce work time or that may reduce cost to the Company. Employees are urged to present such ideas to their superiors.

Employee Retention Strategies

From the result of employee satisfaction, the company has analysed and developed a strategy to increase employee satisfaction. As a consequence, the employee retention initiative was created. Although the effect of COVID-19 outbreak over the last 2 year has resulted in an economic slowdown and employees' well-being. The People and Culture department has committed to assist employees as much as possible.



Second Job for Allstars

Second job is an initiative to support employees in financial gain and discover professional skill. The employees can apply for interest projects through the People and culture department. Upon completion of training, employees were also given the opportunity to view the actual project and learn its details at a workshop that included techniques for refocusing weak points of a real estate project as strengths. throughout 2021, a total 252 employees took part in the programme equal to 5.03 percent of total employees.

Allstars Peer Support

The continuing epidemic situation has a direct and indirect effect on the economy and people. Employees may experience psychological distress requires time to handle, and the end outcome may lead to long mental health problems. The Allstars Peer Support Program is a well-established program that focuses on listening and assisting individuals with mental health issues in a variety of scenarios. Peer Supporters may be contacted using the company's communication system.

Internal Recruitment and Rotation

Thai AirAsia offers employees the option of internal transfer. The People and Culture Department anticipated the potential and experience of employees in each area under the specified conditions, that include a minimum of 2 years of employment. Along with promoting the growth of talent and employee abilities Internally relocations must be authorized by the current position head and follow the same selection procedure as new hires at each stage.

Employee Turnover

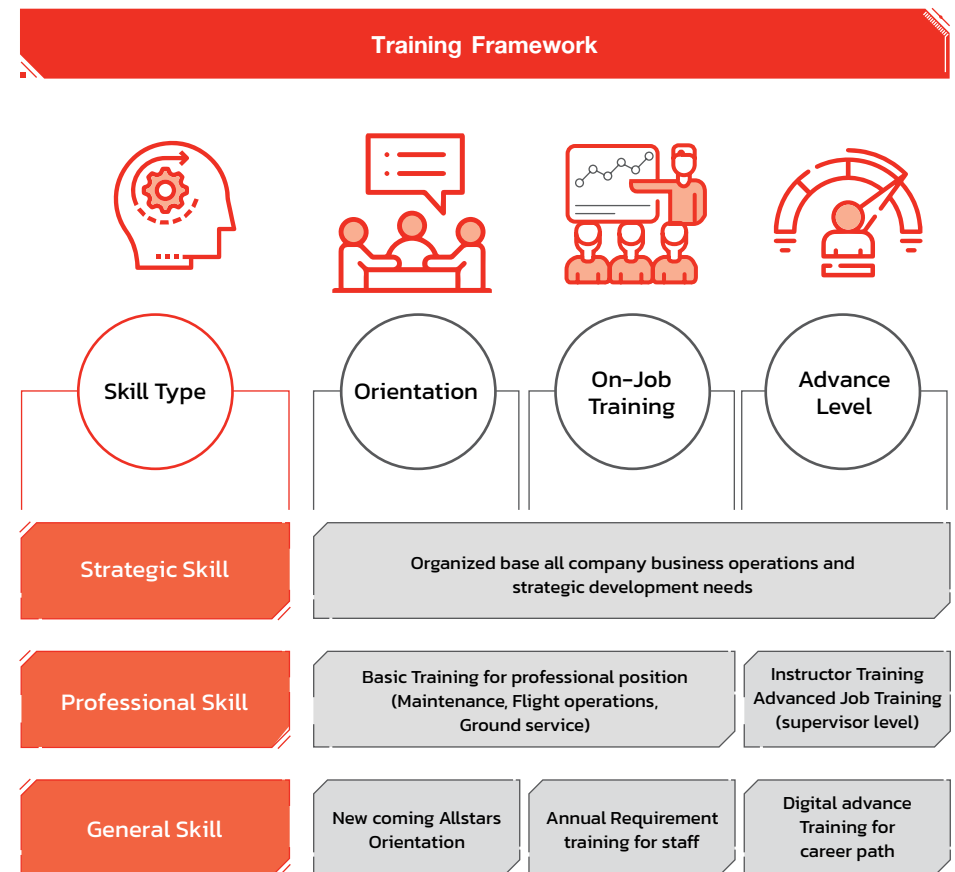
The employee turnover rate for 2021 was 3.5 percent, lower than last year. The rate was a minimal amount that did not impact operations.

	2019	2020	2021
Employee turnover rate (%)	3.0	3.8	3.5

8.2 Training Management

Commitment

Thai AirAsia is determined to produce employees with knowledge and skills as well as a good quality of life and this maintains a policy for developing the capacities of its human resources and preparing them for competition, so that they may be a driving force and source of sustainability for the company.





Employee Development Program

Due to the COVID-19 situation, the company has been preparing a Training Management System, which is a central database for training courses. All employees will acquire comprehensive training in line with each department’s requirements for the skill category as follows.

Target	Target	2021 Result	Training Hour per staff
Professional Skill (Mandatory skill)	100% of active staff	100% of active staff	Approximately 24 hours
General Skill	100% of active staff	100% of active staff	Approximately 6 hours

In 2021, employees received an average of 24 training hours of mandatory skills and 6 training hours of basic skills. The average training hours are much higher than in the past year because the training courses are essential to practice and learn at a basic level again.

8.3 Employee Rights

Commitment

Thai AirAsia recognised that conducting business without regard for human rights may lead to a loss of trust among stakeholders, including future growth opportunities. As a result, the human rights policy encourages inclusion and diversity. To ensure that the company does not discriminate unjustly in any of business activities.

Salary and Benefits

We strongly believe that our employees are an important asset. Thus, in order to protect an employee’s rights and interests, it’s the company’s responsibility to manage salary and benefits. The recruitment process recognizes the variety of candidates and focuses on candidate competencies that meet the job requirements to work productively and in accordance with the company’s mission.

Employee Communication

The company believes that effective communication is fundamental. This will result in the organisation’s efficient and sustained growth. As a result, routes of communication between employees and management or human resources must be formed. Employees may communicate through channels and direct to management level through Santisuk’s Post office or people and culture department. In addition, whenever significant changes are made to the company’s operations and policies, the company has organised a “Town hall” to direct the message from CEO to all employees and employees have the opportunity to voice themselves..





9. Community Investment (GRI 103-1, 103-2, 103-3)

Commitment

Thai AirAsia is devoted to the development and promotion of sustainable community tourism. To create awareness among tourists to be aware of sustainable tourism and place emphasis on increasing the number of quality visitors as well as assist in resolving issues of inequality and equitable distribution of tourism income to the community.

9.1 Journey D Project

An ongoing pandemic, the lockdown measure, the limited passenger amount on each flight and social distancing are impacts to the number of domestic and international tourists. As a consequence, the Company's social responsibility efforts had to modify and interaction with stakeholders

This has been carried out by Thai AirAsia over the past five years by working closely with more than 10 communities nationwide using the following three strategies for promoting sustainable community tourism:

1. Providing courses to develop sustainable tourism at target communities
2. Building a support network for sustainable tourism communities
3. Raising awareness and cultivating community tourism experiences

While Thai AirAsia devoted importance to weathering the COVID-19 crisis, it also remained dedicated to fostering its relationship with communities under the Journey D project and uplifting its value chain.

Journey D Project's Performance 2021

To build a 10-sustainable tourism community network and expand the project and connect it with variety communities is our intention in 2021. However, due to the COVID-19 situation, we could not achieve the target. The company, meanwhile, continues to foster partnerships between communities to prepare for the reintroduction of tourism

Management Approach

New Normal Adaptation

The company intends to develop the community in a sustainable way in order to adapt to the new normal. The development plan for 2022 will be implemented through the mentioned strategies.

- Develop knowledge on online marketing channels
- Educate the Health and Occupation Safety issues to minimise of infection spreading
- Build trust and confidence among tourists to return to the community.

The next goal for Thai AirAsia is fuelling further growth for communities and the tourism industry by serving as a medium between different partners as well as a long term social investor in tourism industry stakeholders, facilitating opportunities for responsible and sustainable tourism through various activities. The approach will consist of:

- Building marketing channels to present community identified goods and to expand revenue streams.
- Supporting sustainability through activities beyond product retail and tourism such as by supporting the creation of new community-based careers.

- Delivering experiences by featuring community products and tourism services in various channels.
- Communicating with the public via AirAsia channels for maximum awareness.

Effectiveness and Business Results

Journey D is a social innovation created to add value to Thai AirAsia's production chain, increase avenues for business and tap into new customer groups in line with its goal of being more than an airline but a complete tourism and lifestyle service provider. While also a platform for building brand loyalty, measuring the effectiveness of Journey D must also account for awareness and understanding of sustainability among the company's stakeholders, from its own staff to partners, investors and community members themselves as well as account for the benefits achieved by Journey D communities.

9.2 Friendly Design Ambassador

Thai AirAsia has joined the Friendly Design Ambassador, by surveying and promoting friendly design facilities for everyone in our society. To encourage the assistance of handicap or underprivileged for their rights and to enhance the existing construction to be able to service. Also, to promote Thai tourism for all. As a consequence, the effort to promote civilization could expand and achieve greater success in a multitude of areas around the country. The company now employs 51 employees and operates in 29 provinces.



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MANAGEMENT DISCUSSIONS AND ANALYSIS

Executive Summary

The global economy in 2021 grew by 5.9 percent from a slump of 3.1 percent in the previous year, driven by global economic activities recovering from the easing of government measures, fiscal and monetary stimulus policies, progress in vaccine distribution as well as the efficacy of vaccines. Nevertheless, global economic activity has begun to grow slower following a new wave of outbreaks in many countries. In the fourth quarter of 2021 (“4Q/2021”), the US economy grew 6.9 percent, reflecting economic recovery despite the outbreak of the Omicron. As a result, the US economy grew by 5.7 percent in 2021 from a contraction of 3.4 percent in 2020, driven by exports, domestic consumer spending, and spending in the business sector in its inventory. Likewise, the Chinese economy in 2021 expanded to 8.1 percent from 2.2 percent in 2020, showing the most robust growth rate in a decade as domestic demand recovers from the COVID-19. However, the Chinese economy in 4Q/2021 expanded at the lowest rate of the year, primarily due to the unrelenting real estate credit issues, COVID-Zero policy, and the high cost of production from the supply chain disruption. Meanwhile, the Eurozone economy in 4Q/2021 grew at a slower pace compared to the previous quarter due to the increase in the number of COVID-19 cases and the enforcement of travel restrictions that affect the service sector. Thus, the Eurozone economy grew by 5.2 percent in 2021.

For Thailand’s economy in 2021, several severe outbreaks resulted in delays in economic recovery. Economic activities have been limited under strict outbreak control measures amid a resurgence of the COVID-19 outbreak since late 2020, and a widespread Delta variant in the third quarter of 2021. Furthermore, the pandemic has affected the business sector, causing production line disruptions in some industrial and construction sectors. However, the significant progress in

the administration of vaccines towards the end of the year which has alleviated the outbreak situation in the country has led to the easing of control measures, allowing economic activities to resume. In terms of the tourism sector, Thai tourism depends on the easing of travel restrictions, progress in vaccine administration, and the efficacy of COVID-19 medicines. After the opening of the country on November 1, 2021, the Test & Go scheme has helped stimulate the recovery of foreign tourists, more than 0.43 million tourists, mainly from Europe, the US and ASEAN (59 percent, 9 percent and 8 percent, respectively) were recorded in 2021. However, the discovery of the new variant virus in many countries is likely to cause concern for travellers worldwide. The number of tourists and tourism income in the country in 2021 contracted by 46.7 percent and 69.6 percent, respectively. Overall in 2021, the Thai economy slightly grew at 1.6 percent from a contraction of 6.2 percent in 2021. As a result, Thai AirAsia served 2.93 million passengers with a 68 percent load factor in 2021.

Given the aforesaid impact, Asia Aviation Public Company Limited (“Asia Aviation”) posted total revenues in 2021 of Baht 4,508.2 million, a net loss for the year of Baht 6,647.5 million, and a net loss in the statement of comprehensive income of Baht 6,386.9 million. Meanwhile, cash at the end of the year amounted to Baht 5,359.6 million. As at December 31, 2021, Asia Aviation has commenced its shareholding restructuring plan by issuing new ordinary shares and convertible debentures, as well as increasing its capital in Thai AirAsia, amounting to Baht 3,900 million to increase its shareholding from 55.0 percent to 69.2 percent on December 8, 2021.



Financial Performance Summary (GRI 201-1)

Asia Aviation Public Company Limited (“Asia Aviation”) is a major shareholder of Thai AirAsia Company Limited (“Thai AirAsia”) who is an airline operator of Thai AirAsia, in which the Company currently holds 69.2 percent.

Asia Aviation’s financial performance for the year ended 31 December 2020 and 2021 have been summarised below:

Statement of Comprehensive Income

For the year ended 2021 (“FY2021”), Asia Aviation had total revenues of Baht 4,508.2 million, which decreased by 72 percent compared to the same period last year. Meanwhile, total expenses were Baht 16,358.9 million, declined by 31 percent from the year ended 2020 (“FY2020”). As a result, a net loss for the year attributable to equity holders of the Company in FY2021 amounted to Baht 6,647.5 million compared to the net loss in an amount of Baht 4,764.1 million for the previous year. During the said year, there was a shareholding restructuring plan in which Asia Aviation issued additional shares, resulting in a diluted loss at Baht 1.2833 per share from a basic loss at Baht 1.2985 per share. With other comprehensive income from the gain on cash flow hedges - net of income tax in an amount of Baht 260.7 million and the actuarial gain - net of income tax in an amount of Baht 165.7 million, the Company posted a loss in total comprehensive income attributable to equity holders in an amount of Baht 6,386.9 million from a net loss in an amount of Baht 4,882.8 million in FY2020.

Statement of Financial Position

Assets

As at 31 December 2021, total assets amounted to Baht 71,208.3 million, increased by 5 percent compared to as at 31 December 2020, due to;

- (1) Current assets increased by Baht 4,912.8 million, primarily due to an increase in cash and cash equivalents in an amount of Baht 4,249.2 million from capital increase from the Group’s shareholding restructuring plan.
- (2) Non-current assets decreased by Baht 1,682.1 million, primarily due to the decrease in the property, aircraft, leasehold improvements and equipment from entering into the aircraft sale and leaseback transaction, as well as the amortisation of aircraft maintenance reserves.

Liabilities

As at 31 December 2021, total liabilities amounted to Baht 54,379.5 million, increased by 7 percent compared to as at 31 December 2020, due to;

- (1) Current liabilities decreased by Baht 263.0 million, due to a decrease in the amounts due to related parties in an amount of Baht 1,754.5 million mainly from the repayment of debts of affiliated companies which are expenses related to operations. Meanwhile, accrued expenses increased Baht 743.7 million, due to the aircraft maintenance reserves. In addition, long-term debentures increased by Baht 300.1 million from the debentures due in May 2022 of Baht 600 million and the partial repayment of debentures due in June 2021 of Baht 300 million.
- (2) Non-current liabilities increased by Baht 4,025.2 million, primarily due to an increase in lease liabilities from the restructuring of the operating lease agreements of 25 aircraft in an amount of Baht 6,869.0 million. Meanwhile, derivative liabilities decreased by Baht 540.6 million mainly from the fuel price swap agreements and foreign exchange rate forward contracts. Additionally, current portion of long-term debentures decreased by Baht 599.1 million.



Equity

As at 31 December 2021, total shareholders' equity amounted to Baht 16,828.8 million, decreased by 3 percent compared to as at 31 December 2020, mainly due to the issuance of Baht 8,800.0 million of newly issued ordinary shares and the issuance of convertible debentures of Baht 2,200.0 million. While there was a loss in total comprehensive income for the year as mentioned above. Hence, equity attributable to owners of the Company and non-controlling interests of the subsidiary as at 31 December 2021 were in an amount of Baht 20,201.1 million and a deficit of Baht 3,372.3 million, respectively.

Statement of Cash Flows

For the year ended 31 December 2021, Asia Aviation had net cash used in operating activities in an amount of Baht 4,347.0 million mainly due to the operating loss in the year and debt repayment to related parties. Meanwhile, net cash generated from investing activities was at Baht 1,283.7 million, primarily from cash received from the sale of 2 aircraft. Net cash generated from financing activities was Baht 7,313.6 million, mainly due to the capital raising and convertible debentures, whereas there were payments for early termination of lease agreements and the repayment for liabilities under lease agreements. As a result, the net increase in cash and cash equivalents amounted to Baht 4,250.3 million, while the cash and cash equivalents at the end of the year amounted to Baht 5,359.6 million.

Thai AirAsia's financial performance for the year ended 31 December 2020 and 2021 have been summarised below

Statement of Comprehensive Income

In FY2021, total revenues of Thai AirAsia amounted to Baht 4,507.5 million, decreased by 72 percent from Baht 16,236.3 million in FY2020. Primarily, revenues from sales and services, amounted to Baht 3,828.5 million, decreased by 72 percent compared to the same period last year due to the COVID-19 pandemic in late December 2020 and mid-April 2021. The Civil Aviation Authority of Thailand also declared a restriction on carriers transporting passengers between Maximum and Strict Control Zones (Red Zones), which led to almost all domestic flights being temporarily suspended during the third quarter. Positively, Thai AirAsia resumed international flights to the Maldives and Cambodia in late 2021 on the back of the government's easing travel restrictions along with the policy of opening the country through the Test & Go scheme. However, temporary suspension of the Test & Go Programme had now been put in place by the Thai government from December 22, 2021 after the arrival of the Omicron variant, adversely affecting Thai AirAsia's plan to resume its international flights. As a result, the passenger carried in FY2021 recorded at 2.93 million people or down by 69 percent from FY2020, and the load factor for FY2021 was posted at 68 percent or down by 7 percentage points ("ppts") from the same period last year. Besides, the average fare in FY2021 decreased by 9 percent from last year to Baht 1,090 per passenger, as revenue was generated mainly from domestic flights, despite a limited number of international flights in late 2021. The total ancillary revenues, which amounted to Baht 651.3 million, decreased by 71 percent compared to last year, due to the shrinking passenger traffics, which led to a decline in checked baggage fees and in-flight services.



In FY2021, total expenses of Thai AirAsia amounted to Baht 16,255.9 million, decreased by 32 percent compared to the same period last year at Baht 23,794.6 million. The cost of sales and services amounted to Baht 11,167.1 million, reduced by 45 percent from Baht 20,484.2 million in FY2020. Primarily, the fuel cost decreased 78 percent from FY2020, in part from lower fuel consumption along with a decrease in the number of flights and no fuel hedging losses. The decrement also reflected in staff costs from the leave without pay and furlough schemes. Moreover, the ramp and airport operations, and guest services and distribution expenses decreased in line with the number of flights. Besides, a decrease in depreciation expenses was partly from the impairment of the right-of-use asset at the end of 2020. Meanwhile, aircraft maintenance rose mainly from the cost of aircraft redeliveries in FY2021. Furthermore, the selling and administrative expenses declined by 29 percent, mainly from the advertising and promotional expenses. The cost per available seat kilometres excluding fuel cost (“CASK ex-fuel”) was at Baht 4.04, increased from Baht 1.66 compared to the same period last year, due to a decrease in the available seat kilometres (“ASK”) outpacing a decline in the operating cost. Consequently, the aircraft utilisation in operation was at 5.6 hours per day of the active aircraft, declining from 7.4 hours per day from the previous year. In addition, Thai AirAsia continuously monitors its punctuality, reflected in the strong full-year on-time-performance (“OTP”) of 97 percent, which increased from 96 percent compared to the previous year. This key performance metric is better than the company’s strategic target, following our sustainable development framework goal of 90 percent.

In FY2021, Thai AirAsia recorded the other expenses at 3,900.0 million, in part from a loss on the exchange rate in an amount of Baht 3,654.4 million, from the gain of Baht 545.6 million in FY2020, due to the unrealised loss on the exchange rate difference of lease liabilities where Thai Baht weaken against US Dollar. Whereas, the other income was Baht 679.0 million, in part from the gain on derivatives of Baht 391.2 million, reversed from the loss of Baht 37.2 million in FY2020. Hence, loss from operating activities in FY2021 amounted to Baht 11,748.4 million. Besides, finance costs amounted to Baht 1,811.8 million, slightly increased from the previous year. Meanwhile, the income tax revenue amounted to Baht 1,724.5 million, mainly from the carry forward of unused tax

loss to calculate income tax for the period and the restructuring of the liabilities under the operating lease agreements. Consequently, Thai AirAsia had a net loss for the year of Baht 11,785.7 million. With other comprehensive income from the gain on cash flow hedges - net of income tax in an amount of Baht 260.7 million and the actuarial gain - net of income tax in an amount of Baht 165.7 million, it had a loss in total comprehensive income for the year amounted to Baht 11,359.3 million.

Statement of Financial Position

Assets

As at 31 December 2021, total assets amounted to Baht 45,508.7 million, slightly increased by 1 percent compared to as at 31 December 2020, due to;

- (1) Current assets increased by Baht 362.0 million, primarily due to an increase in other current financial assets of Baht 316.5 million from the aircraft’s deposit of the sale and leaseback transaction, amounts due from related parties increased Baht 279.5 million, as well as, an increase in trade and other receivables by Baht 275.7 million from value-added tax (VAT) refund. Whereas, cash and cash equivalents decreased by Baht 301.1 million.
- (2) Non-current assets increased by Baht 17.0 million, primarily due to an increase in deferred tax assets by Baht 1,640.4 million on the back of the unused tax loss carry forward. While, the property, aircraft, leasehold improvements and equipment decreased from the entering into the aircraft sale and leaseback transaction, as well as amortisation of aircraft maintenance reserves as expenses.

Liabilities

As at 31 December 2021, total liabilities amounted to Baht 56,463.8 million, increased by 16 percent compared to as at 31 December 2020, due to;

- (1) Current liabilities increased by Baht 2,155.0 million, primarily due to an increase in short term borrowing from parent company in an amount of Baht 2,450.0 million.



- (2) Non-current liabilities increased by Baht 5,683.3 million, primarily due to an increase in liabilities under lease agreements in an amount of Baht 6,869.0 million from the restructuring of the liabilities under the operating lease agreements of 25 aircraft. Whereas, long-term debentures net of current portion decreased by Baht 599.1 million.

Equity

As at 31 December 2021, total shareholders' equity deficit amounted to Baht 10,995.0 million, from the deficit of Baht 3,495.8 million the previous year, mainly due to the operating loss for the year. Meanwhile, Thai AirAsia received money from the additional capital issuance of Baht 3,900.0 million. Thai AirAsia's Debt-to-Equity ratio (Interest Bearing Debt) and Net Gearing ratio as at 31 December 2021 were -4.34x and -4.28x, respectively. Excluding the operating lease liabilities, the D/E Ratio and Net Gearing Ratio were -1.19x and -1.12x, respectively.

Statement of Cash Flows

For the year ended 31 December 2021, Thai AirAsia had net cash used in operating activities in an amount of Baht 4,327.9 million mainly due to the operating loss in the year and debt repayment to related parties. Meanwhile, net cash generated from investing activities was at Baht 1,280.8 million, primarily from the sale of 2 aircraft. Net cash generated from financing activities was Baht 2,747.1 million, mainly due to the sale of newly issued shares and short-term loans from Asia Aviation, whereas there were payments for early termination of lease agreements and the repayment for liabilities under lease agreements. As a result, the net decrease in cash and cash equivalents amounted to Baht 300.0 million, while the cash and cash equivalents at the end of the year amounted to Baht 711.0 million.

Business Outlook

In January 2022, the IMF projects the world economic growth to grow by 4.4 percent in 2022, lower than 5.9 percent in 2021. The vaccines' distribution and efficacy will primarily be critical factors in driving global economic activities and gaining consumer confidence and global trade volume. Furthermore, the government stimulus plan and the supporting policies from the leading economic countries such as the US, Japan, China, and Eurozone will fuel the global economic recovery. However, the economic recovery remains under pressure from several aspects such as the new wave of COVID-19, new variants of the virus, the delay in vaccines distribution, and the re-implementing of lockdown measures. Therefore, in order to respond to the risks that may arise and affect the company's operation, the company has analysed possible factors that may prevent the company in achieving its goals and mitigate its risks as follows:

- (1) Interest rate fluctuation: the US economy tends to improve following the global economic recovery. As a result, the Federal Reserve (Fed) kept a stable interest rate at 0 to 0.25 percent in January 2022. However, Fed is likely to raise interest rates at least four times in 2022 on the back of high inflation expectations after the tapering ends, and the labour market is likely to meet the Fed's targets. While Bank of Thailand (BoT) maintained its policy rate at 0.50 percent in February 2021 as Thailand has decent foreign stability while the maintaining of low-interest rates to support the economic recovery is still needed. As the company might incur substantial debt to operate the business in the future, the uncertainty of the interest rate would impact the company's borrowing cost. Thus, the company has set a measure to alleviate interest rates from aircraft lease agreements by fixing interest rates during the negotiation for financial lease contracts and by considering using financial instruments at an appropriate time. As of December 31, 2021, Thai AirAsia has a ratio of long-term debts after a swap between floating interest rates and fixed rates of approximately 11 to 89.
- (2) Currency fluctuation: the Thai Baht is predicted to slightly strengthen throughout the year in the range of 32 - 33 Baht per US dollars as capital flows that tend to flow into emerging markets in line with investor confidence in the economic



recovery of emerging markets that will accelerate following the opening of the country. As a result, Thai AirAsia benefits from expenses in foreign currencies such as maintenance expenses, aircraft leases, etc.

- (3) Fuel costs fluctuation: Thai AirAsia forecasts the average jet kerosene price in a range of 85-95 US dollars per barrel according to the average Brent price of 75 US dollars per barrel forecasted by the U.S. Energy Information Administration (EIA), tended to rise gradually from the increasing oil consumption demand. The easing of the government's measures and opening of the country will fuel global economic activities, logistics, and tourism. However, the Organization of the Petroleum Exporting Countries and allies led by Russia (OPEC+) agreed to increase monthly output to 400,000 barrels per day, plus the United States and major oil importers will drain around 80 million barrels of strategic reserves, adding pressure to oil prices as the supply increases. As a result, the company had no fuel price swap agreements at the end of 2021.

In February 2022, NESDC forecasts Thailand economic growth for 2022 in the range of 3.5 - 4.5 percent, which continues to recover from the latter half of 2021. Positively, the rebound will accelerate from the progress in vaccines' distribution, the continuous expansion of the export sector, the improving trend in tourism, and the government's economic stimulus measures, which have resulted in a steady recovery in both domestic and international demand. The improvement of the Thai economy was supported mainly by an increase in household consumption from implementing the government's economic stimulus plan such as "Half-Half" co-payment scheme, and "We travel together" project. However, the economic recovery may be delayed from the risks of the global economy and finance volatilities as mentioned above. For the tourism industry, the recovery will primarily depend on the efficacy of vaccines amid the mutation of the virus. The foreign tourists are expected to return since the 4Q/2021, positively, on the supported of the success in the COVID-19 containment, the wide distribution of the vaccines, the aggressive marketing with the travel packages, and the resumption of the Test & Go programme in February 2022. Hence, NESDC predicts the inbound tourists at 5.5 million with an estimated revenue of Baht 0.47 trillion. Meanwhile, TAT has set a target of 10 million foreign tourists, predictably generating revenue of Baht 0.63 trillion.

In 2021, Thai AirAsia will continue to increase flight frequencies and add routes in response to improving demand, expecting to return to 100 percent pre-COVID domestic operation within this year, while considering international service based on the government's national reopening plan. The passenger carried in 2022 is anticipated to be 12.3 million with the load factor of 78 percent, in line with the recovery of Thai tourists and the return of foreign tourists. Thai AirAsia has no receiving plan for new aircraft deliveries in the near term while plans are in place to return aircraft that will expire under lease agreements, and to reallocate aircraft within AirAsia Aviation Group, resulting in a target fleet size of 53 aircraft at the end of the year. This downsizing in its fleet size aligns with the forecasted demand from the impact of the COVID-19, which will take time to return to normal. In addition, Thai AirAsia has strategically positioned its base at Suvarnabhumi Airport to strengthen domestic routes and air cargo routes as part of its international route expansion plan to ensure that Thai AirAsia has a competitive advantage in both passenger and freight services. Furthermore, Thai AirAsia is focusing on adding new flight experiences and promoting measures to reduce physical contact, as well as increase convenience and safety for customers through facial recognition systems in the near future. Moreover, Thai AirAsia has increased its revenue source beyond the aviation business by investing in the AirAsia Super App platform to expand its potential to meet consumer lifestyles in the digital era.

In addition, Asia Aviation increased its capital and offered new issued shares to the existing shareholders in proportion to their shareholding (Right Offering) at the price of Baht 1.75 per share, amounting to 1,714,285,714 shares, totalling Baht 3,000 million on January 19, 2022. The acquisition of shares in Thai AirAsia was completed according to the Group's capital restructuring plan on January 21, 2022. Furthermore, Thai AirAsia has delivered and received 5 aircraft under the aircraft sale and leaseback agreement as at February 23, 2022 to increase the liquidity of the company.



Financial Statements of Asia Aviation Public Company Limited for the past three years

Statement of Financial Position

	As at 31 December					
	Audited 2019		Audited 2020		Audited 2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Assets						
Total current assets	7,426.9	11.8	2,760.2	4.1	7,672.9	10.8
Total non-current assets	55,475.7	88.2	65,217.5	95.9	63,535.4	89.2
Total assets	62,902.6	100.0	67,977.7	100.0	71,208.3	100.0
Liabilities and shareholders' equity						
Total current liabilities	13,959.0	22.2	17,823.3	26.2	17,560.3	24.7
Total non-current liabilities	21,255.1	33.8	32,794.1	48.2	36,819.2	51.7
Total liabilities	35,214.1	56.0	50,617.4	74.4	54,379.5	76.4
Equity attributable to owners of the Company	19,943.9	31.7	14,266.1	21.0	20,201.1	28.3
Non-controlling interests of the subsidiary	7,744.6	12.3	3,094.2	4.6	(3,372.3)	-4.7
Total shareholders' equity	27,688.5	44.0	17,360.3	25.6	16,828.8	23.6



Statement of Comprehensive Income

For the year ended 31 December

	2019 ⁽¹⁾		2020 ^(1,2)		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Total revenues	41,530.9	100.0	16,237.3	100.0	4,508.2	100.0
Total expenses	41,653.1	100.3	23,788.1	146.5	16,358.8	362.9
Profit (loss) from operating activities	(122.2)	-0.3	(7,550.8)	-46.5	(11,850.6)	-262.9
Profit (loss)	(866.2)	-2.1	(8,666.9)	-53.4	(11,957.9)	-265.2
Equity holders of the Company	(474.0)	-1.1	(4,764.1)	-29.4	(6,647.5)	-147.5
Non-controlling interests of the subsidiary	(392.2)	-1.0	(3,902.8)	-24.0	(5,310.4)	-117.7
Total comprehensive income	(800.8)	-1.9	(8,882.7)	-54.7	(11,531.5)	-255.8
Equity holders of the Company	(438.1)	-1.0	(4,882.8)	-30.1	(6,386.9)	-141.7
Non-controlling interests of the subsidiary	(362.7)	-0.9	(3,999.9)	-24.6	(5,144.6)	-114.1
Basic earnings (loss) per share	(0.0977)		(0.9823)		(1.2985)	
Diluted earnings (loss) per share	(0.0977)		(0.9823)		(1.2833)	

⁽¹⁾ The percentage of total revenues consists of revenues from sales and services, net gain on the exchange rate and other income

⁽²⁾ Reclassifications of the comprehensive income statements

Cash Flow Statement

For the year ended 31 December

(Million Baht)

	2019	2020	2021
Net cash flows from (used in) operating activities	965.7	(897.9)	(4,347.0)
Net cash flows from (used in) investing activities	(1,793.9)	12,064.4	1,283.7
Net cash flows from (used in) financing activities	828.8	(14,031.4)	7,313.6
Net increase (decrease) in cash and cash equivalents	0.6	(2,864.9)	4,250.3
Unrealised exchange gain (loss) on cash and cash equivalents	(141.0)	(6.9)	(1.1)
Cash and cash equivalents at beginning of the year	<u>4,122.6</u>	<u>3,982.2</u>	<u>1,110.4</u>
Cash and cash equivalents at end of the year	<u>3,982.2</u>	<u>1,110.4</u>	<u>5,359.6</u>



Key Financial Ratios

For the year ended 31 December

		2019	2020	2021
Liquidity Ratio				
Current Ratio	times	0.5	0.2	0.4
Quick Ratio	times	0.5	0.1	0.4
Cash Ratio	times	0.1	(0.1)	(0.2)
Account Receivable Turnover Ratio	times	73.7	29.6	8.6
Average Collection Period	days	4.9	12.3	42.7
Inventory Turnover Ratio	times	158.8	76.6	47.7
Average Inventory Period	days	2.3	4.8	7.7
Account Payable Turnover Ratio	times	71.4	24.5	12.9
Average Payment Period	days	5.1	14.9	28.4
Cash Cycle	days	2.1	2.2	21.9
Profitability Ratio				
Gross Profit Margin ⁽¹⁾	percent	4.5	(50.2)	(193.2)
EBIT Margin ⁽¹⁾	percent	(0.3)	(55.4)	(309.5)
Other income per Total Assets	percent	3.3	16.0	15.1
Net Profit (Loss) Margin ⁽²⁾	percent	(1.2)	(34.9)	(173.6)
Return on Equity	percent	(2.3)	(27.9)	(38.6)
Efficiency Ratio				
Return on Assets	percent	(0.8)	(7.3)	(9.6)
Return on Fixed Assets	percent	4.8	4.9	(50.1)
Asset Turnover Ratio	times	0.7	0.2	0.1
Financial Policy Ratio				
Debt to Equity Ratio	times	1.8	3.5	2.7
Interest Coverage Ratio	times	2.3	0.8	(7.5)
Cash Basis ⁽³⁾	times	0.3	(0.2)	(0.2)
Dividend Payout Ratio	percent	-	-	-

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

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

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



Financial Statements of Thai AirAsia Company Limited for the past three years

Statement of Financial Position

As at 31 December

	Audited 2019		Audited 2020		Audited 2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Assets						
Total current assets	7,332.3	18.8	2,657.3	5.9	3,019.2	6.6
Total non-current assets	31,734.7	81.2	42,472.5	94.1	42,489.5	93.4
Total assets	39,067.0	100.0	45,129.8	100.0	45,508.7	100.0
Liabilities and shareholders' equity						
Total current liabilities	13,956.2	35.7	17,820.8	39.5	19,975.7	43.9
Total non-current liabilities	18,272.4	46.8	30,804.8	68.2	36,488.1	80.2
Total liabilities	32,228.6	82.5	48,625.6	107.7	56,463.8	124.1
Total shareholders' equity	6,838.4	17.5	(3,495.8)	-7.7	(10,955.1)	-24.1

Statement of Comprehensive Income

For the year ended 31 December

	2019 ⁽¹⁾		2020 ^(1,2)		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Total revenues	41,529.2	100.0	16,236.3	100.0	4,507.5	100.0
Total expenses	41,658.4	100.3	23,794.6	146.6	16,255.9	360.6
Profit (loss) from operating activities	(129.2)	-0.3	(7,558.3)	-46.6	(11,748.4)	-260.6
Profit (loss) for the year	(871.5)	-2.1	(8,673.0)	-53.4	(11,785.7)	-261.5
Total comprehensive income for the year	(806.1)	-1.9	(8,888.7)	-54.7	(11,359.3)	-252.0
Basic earnings (loss) per share	(20.01)		(199.12)		(262.62)	

⁽¹⁾ The percentage of total revenues consists of revenues from sales and services, net gain on the exchange rate and other income

⁽²⁾ Reclassifications of the comprehensive income statements

**Cash Flow Statement**

(Million Baht)

For the year ended 31 December

	2019	2020	2021
Net cash flows from (used in) operating activities	958.8	(903.5)	(4,327.9)
Net cash flows from (used in) investing activities	(1,794.0)	12,064.3	1,280.8
Net cash flows from (used in) financing activities	828.8	(14,031.4)	2,747.1
Net increase (decrease) in cash and cash equivalents	(6.4)	(2,870.6)	(300.0)
Unrealised exchange gain (loss) on cash and cash equivalents	(141.0)	(6.9)	(1.1)
Cash and cash equivalents at beginning of the year	<u>4,037.0</u>	<u>3,889.6</u>	<u>1,012.1</u>
Cash and cash equivalents at end of the year	<u>3,889.6</u>	<u>1,012.1</u>	<u>711.0</u>

Key Financial Ratios**For the year ended 31 December**

		2019	2020	2021
Liquidity Ratio				
Current Ratio	times	0.5	0.1	0.2
Quick Ratio	times	0.5	0.1	0.1
Cash Ratio	times	0.1	(0.1)	(0.2)
Account Receivable Turnover Ratio	times	73.8	29.6	8.6
Average Collection Period	days	4.9	12.3	42.5
Inventory Turnover Ratio	times	158.8	76.6	47.5
Average Inventory Period	days	2.3	4.8	7.7
Account Payable Turnover Ratio	times	71.4	24.5	12.8
Average Payment Period	days	5.1	14.9	28.5
Cash Cycle	days	2.1	2.2	21.7

**Key Financial Ratios**

For the year ended 31 December

		2019	2020	2021
Profitability Ratio				
Gross Profit Margin ⁽¹⁾	percent	4.5	(50.2)	(191.7)
EBIT Margin ⁽¹⁾	percent	(0.3)	(55.4)	(306.9)
Other income per Total Assets	percent	3.2	16.0	15.1
Net Profit (Loss) Margin ⁽²⁾	percent	(2.2)	(63.6)	(307.8)
Return on Equity	percent	(11.9)	(518.9)	163.1
Efficiency Ratio				
Return on Assets	percent	(2.3)	(20.6)	(26.0)
Return on Fixed Assets	percent	3.3	(14.8)	(89.0)
Asset Turnover Ratio	times	1.1	0.4	0.1
Financial Policy Ratio				
Debt to Equity Ratio	times	4.7	(13.9)	(5.2)
Interest Coverage Ratio	times	2.3	0.1	(2.3)
Cash Basis ⁽³⁾	times	0.3	(0.2)	(0.2)
Dividend Payout Ratio	percent	-	-	-

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

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

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



GENERAL AND OTHER INFORMATION

(GRI 102-3)

General information

Company name	: Asia Aviation Public Company Limited (AAV)
Type of business	: A holding company investing in business of low-fares airline or relevant business in relation to airline operation
CG Scoring	: Excellent
Head office	: 222, Don Mueang International Airport, 3 rd Fl., Central Office Bldg., Room no. 3200, Vibhavadee Rangsit Road, Sanambin, Don Mueang, Bangkok 10210
Tel	: 02-562-5700
Fax	: 02-562-5705
Website	: www.aavplc.com
Registration number	: 0107554000313
Authorized and paid-up capital as at 31 January 2022	: Common stock of 11,592,857,143 shares at the par value of Baht 0.10 amounted Baht 1,159,285,714.30

Subsidiary's general information

Subsidiary name	: Thai AirAsia Company Limited
Type of business	: A low-fares airline or relevant business in relation to airline operation
Head office	: 222, Don Mueang International Airport, 3 rd Fl., Central Office Bldg., Room no. 3200, Vibhavadee Rangsit Road, Sanambin, Don Mueang, Bangkok 10210
Tel	: 02-562-5700
Fax	: 02-562-5705
Authorized and paid-up capital as at 17 February 2022	: Common stock of 94,618,327 shares at the par value of Baht 10 amounted Baht 946,183,270
Shareholding	: 100.0%

References

Registrar	: Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 93 Rachadapisek Road, Dindaeng, Bangkok 10400
Tel	: 02-009-9999
Fax	: 02-009-9991
Website	: www.tsd.co.th
Auditor	: EY Office Limited 33 rd 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

Other Information

Legal Dispute

As of December 31, 2021, the outstanding legal dispute of Asia Aviation and its subsidiary are not engaged in any material litigation or greater than 5 percent of shareholders' equity, which would have a material effect on our business.



Corporate Governance Policy



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

The Overall Policies and Practices of Corporate Governance

Policies and Practices regarding the Company’s Board of Directors

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

Composition of the Company’s Directors

1. The Board of Directors of Asia Aviation shall consist of at least five Directors to conduct the business of Asia Aviation. Not less than one half of all Directors shall have domiciles in Thailand.
2. The Independent Directors must constitute at least one-third of the numbers of Directors in the Board but not less than three persons. In addition, there shall be appropriate numbers of Independent Directors to conduct the corporate governance and they shall also meet all the qualifications according to the Notification of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand.



3. No limitation for gender, nationality, race, skin color, ethnic group or religion.
4. The Chairman of the Board of Directors shall not be the same person as Executive Chairman, Chief Executive Officer nor the Executive Director in order to balance and clarity of responsibilities between the supervisory and management functions including to examine the operation of the Management independently.
5. The structure of the Board of Directors shall have a diversity whereas the Board of Directors shall be composed of experts with a wide range of knowledge, competence, and experience in various fields as well as expertise in various professions to be in line with strategy and type of business of the Company. The number of Directors shall be sufficient to oversee the business of the Company, with at least one Director who has direct experience in aviation business and at least one Director who has experiences in accounting and finance.

Qualifications of Directors

1. The Directors shall understand their duties and responsibilities as well as description of the business operation of the Company. In addition, the Directors shall be the persons having knowledge, competency, honesty and business ethics, and having sufficient time to dedicate their knowledge and competency for their performance in the Company.

2. The Directors shall possess full qualifications and do not have any prohibited characters in compliance with applicable laws related to public companies and other relevant laws, nor any characters that result in the inappropriateness to be trusted with the administration of a public company as required by The Securities and Exchange Commission Thailand.
3. The Directors shall not enter into a partnership or be a shareholder or hold the position of Director of any business which has the same nature as and is in competition with the business of Asia Aviation for their own or others' interests, except the Shareholders' Meeting has been informed prior to the appointment.
4. The Directors shall not hold the position of Director in more than five other listed companies. In case of any Director holding the position of Director in more than five listed companies, the Board of Directors shall consider the effectiveness of his/her performance. In the case of the Chief Executive Officer taking the position of Director in other companies, the matter needs to pass the approval from the Company's Board of Directors.
5. The Independent Directors shall possess all the qualifications required by the Stock Exchange of Thailand and The Securities and Exchange Commission Thailand and can oversee the interest of all Shareholders equally without any conflicts of interests. The Independent Directors shall be able to attend the Board of Directors' Meetings and provide opinions independently. The qualifications are as follows:

Qualifications of Independent Directors

1. Holding not exceeding 1% of the total shares with voting rights of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation. (inclusive of the shares held by any related person of such Independent Director);
2. Not being, nor having been, a Director who participates in the Management, an employee, staff member or advisor who receives a regular salary, or a control person of Asia Aviation, its parent company, subsidiary company, its associated company, its subsidiary at the same level, major shareholder or control person of Asia Aviation, unless the holding of the aforementioned positions has been discontinued for at least two years. However, such prohibition shall not apply in the case where such Independent Director has been a government official or consultant of the government sector, which is a major shareholder, or control person of Asia Aviation;
3. Not being person who has a relationship by blood or registration under laws, as father, mother, spouse, sibling, and child, including spouse of child, of its Directors, its Executives, its major shareholder, its control person or the person who will be nominated to take up the position of Director or Executive or control person of Asia Aviation or its subsidiary;
4. Not having, or not having had, any business relationship with Asia Aviation, its parent company, its subsidiary company, its associated company,



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

5. Not being, or not having been, an auditor of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder, control person of Asia Aviation, and not being substantial shareholder or control person or the partner of the audit company for which the auditor of Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control person of Asia Aviation has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years;
6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from Asia Aviation, its parent company, its subsidiary company, its associated company, major shareholder or control

person of Asia Aviation, and not being substantial shareholder or control person or the partner of such professional service provider, unless such business relationship has been discontinued for at least two years;

7. Not being a Director nominated to be a representative of a Director of Asia Aviation, major shareholder or shareholders who are related persons to major shareholder;
8. Not undertaking any business which has the same nature as and is in competition with the business of Asia Aviation or its subsidiary company or not being a partner of the partnership or a Director who participates in the Management, an employee, a staff member, or advisor who receives a regular salary or holds shares exceeding 1% of the total shares with voting right of other companies which undertakes business of the same nature as and is in competition with the business of Asia Aviation or its subsidiary company; 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.

Whereas the Company has disclosed the profiles and information of holding the position of Directors as the attachment of this report on the website of the Company at www.aavplc.com under the title "About AAV" and sub-title "AAV Board of Directors" as well as the

notification to the Stock Exchange of Thailand and the Securities and Exchange Commission Thailand when the Company changes its Directors.

Nomination and Appointment of Directors

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

To identify the nominated persons to hold the positions of Directors, the Nomination Committee may use sources of recruitment such as the persons introduced by the Company's Directors, outside consultant company etc.

In case of 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.

Term of Positions for Directors

1. The Director's term of positions is according to the Articles of Association of Asia Aviation that at every Annual General Meeting, one-third (1/3) of the total number of the Directors shall vacate office. If the number is not a multiple of three, then the number nearest to one-third (1/3) must retire from the office. The retiring Directors are eligible for re-election. The Director who has been in office for the longest term shall retire.
2. Any Director wishing to resign from the Director's position shall submit a resignation letter to Asia Aviation. The resignation shall take effect upon the date on which the resignation letter reaches Asia Aviation.
3. The Shareholders' Meeting may pass a resolution to remove any Director prior to retirement by rotation, by a vote of not less than three-fourths of the number of shareholders attending the Meeting and having the right to vote, and the shares held by them shall not, in total, be less than one half the number of the shares held by the shareholders attending the Meeting and having the right to vote.
4. In case of vacancy due to reasons other than expiry of service terms, the Board of Directors shall appoint any candidate who does not possess any of the prohibited characteristics in compliance with the Securities and Exchange Act B.E. 2535 (and its amendments) and other applicable laws and regulations to fill the position for the next Board of Directors' Meeting unless the remaining term is less

than two months. The replacement Director shall hold the office only for the remaining term of the Director whom he/she replaces.

For the Directors holding the position as Independent Directors for 9 years or 3 terms consecutively, the Nomination and Remuneration Committee shall review the independence of that Independent Director annually.

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 decisions and perform their duties with caution, accountability, and honesty for the best interest of Asia Aviation.

Moreover, the Board of Directors shall attach importance to the business operation with social responsibilities and environment, not violating the rights of the stakeholders as well as promoting and supporting the Company and its subsidiary to operate with anti-corruption in every form for the progress and sustainable growth.

Asia Aviation's Board of Directors has the duties to consider and approve significant matter related to the Company's administration such as policies, visions,



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

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

Asia Aviation has clearly divided duties and responsibilities between Board of Directors and Management. The Board of Directors sets out policies and administers the operation of the Management on the policy level, while the Management manages each area according to the policies and Authority Limit which has been approved by 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 nor the Executive Director in order to balance and examine the Management.

The Chairman of the Board of Directors has an important role as follows.

- 1) The Chairman has an important part in making decisions for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the

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

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

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

The Performance Assessment of the Board of Directors

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



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

Development on Directors and Management

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

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

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

Remuneration Policy and Criteria for Directors

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

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

Remuneration Policy for Directors

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

To determine 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 experiences, duties, 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 of Directors and sub-committee members of Asia Aviation

At the Annual General Meeting of Shareholders 2021, held on April 22, 2021, approved the resolution of the remuneration year 2021 for Directors and sub-committee members as follows:

Monetary Remuneration

- Each Director shall receive the monthly remuneration of Baht 80,000 and Baht 80,000 allowance for each meeting attendance. If there is more than one meeting, each Director shall receive only Baht 80,000 allowance in the month. The Chairman of the Board of Directors shall receive the monthly remuneration of Baht 100,000 and Baht 100,000 allowance for each meeting attendance. If there is more than one meeting, the Chairman shall receive only Baht 100,000 allowance in the month.
- The monthly remuneration for the Audit Committee (in addition to the remuneration as the Directors) shall be Baht 80,000. The Chairman of the Audit Committee shall receive the monthly remuneration of Baht 100,000.



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

Other Remunerations

Ticket Benefits

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

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

Remuneration of Directors and sub-committee members for Thai AirAsia

At the Annual General Meeting of Shareholders 2021, held on April 22, 2021 the resolution was to approve the remuneration for Directors and sub-committee members as follows:

Monetary Remuneration

- Each Director shall receive Baht 80,000 allowance for each meeting attendance. The Chairman of the Board of Directors shall receive Baht 100,000 allowance for each meeting attendance.
- Members of the Audit Committee receive a meeting allowance equivalent to that of meeting allowance of Board members.
- Upon being appointed by the Board of Directors or the Chairman of the Board to a committee, a sub-committee or a working group, the said Director shall receive an additional remuneration as the meeting allowance for Baht 40,000 per meeting attendance. If there is more than one meeting, each Director shall receive only Baht 40,000 allowance in the month.

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

However, to be in line with the cost reduction policy of the Company and subsidiary due to current situation, the Directors having the right to receive such remuneration have volunteered to reduce the remuneration at the same rate with the policies of the senior management.

The Remuneration of the Management

Determining the remuneration for the Management has been set up at Thai AirAsia, a subsidiary which operates the Company's major business for which the structure of remuneration of the Senior Management comprises the

fixed remuneration such as salary, fuel cost, telephone cost, car expense and cost of variations such as bonus depending on the performance of the subsidiary whereas the subsidiary will perform the annual assessment of the performance of the Senior Management annually while the Company's Board of Directors together with the Nomination and Remuneration Committee shall consider the result of assessment to support consideration for approval of the annual remuneration based on the performance of the business operation, the operation under the policies assigned according to the overall economical and social situation as well as managing the remuneration to be able to compete and maintain the Senior Management equipped with knowledge and abilities to continue working with the Company and perform the duties for the Company.

Consideration for Comparing Rates of Remuneration

Thai AirAsia compares the survey on the remuneration both in industrial business and profession annually to review the Pay Scale and principles of annual salary increment of the Company.

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 and the Chief Executive Officer is to report to the Board of Directors regularly on the succession plan.

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

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

1. To nominate a person as a representative of the Company approved by the Board of Directors to be a Director and Management in the subsidiary, associated company or jointly-controlled entities in proportion to the shares held while such person shall have appropriate qualifications and experiences suitable for such business and shall not have the business conflict of interest.

2. To supervise through the representative Directors and the Management and manage the business of the subsidiary, associated company or jointly-controlled entities to comply with the policies approved by the Company and according to the rules and regulations specified in the Article of Association of the Company and the law of subsidiary, associated company or jointly-controlled entities.
3. To consider the important matters such as strategies, business plan, increasing or decreasing of the capital as well as important policies etc.
4. To follow up the performances and such business operation closely and present the analysis as well as expressing the opinion or suggestion to the Board of Directors of the subsidiary, associated company or jointly-controlled entities to be used as supporting information to consider setting up policies or improve, promote the business of the subsidiary, associated company or jointly-controlled entities for further development and continual growth.
5. To encourage the subsidiary, associated company or jointly-controlled entities to bring the principles of Corporate Governance into practice.
6. To govern the subsidiary, associated company or jointly-controlled entities to comply with the rules and regulations concerning the Regulators such as the related party transaction and acquisition and disposing of the assets, sufficient and in-time disclosure of information as well as supervising them to provide accounting and financial report correctly in accordance with the related laws and certified accounting standard in general.

7. To be verified by the internal audit to ensure that the internal control set forth is sufficient and effective.

Policy and Practices concerning Shareholders and Stakeholders

Rights of Shareholders

Asia Aviation is aware of and prioritises the fundamental rights of the shareholders, by not doing anything to violate the rights of its shareholders and supporting its shareholders to exercise their rights. The fundamental rights of the shareholders include the right to buy and sell or to transfer shares, the right to receive profit sharing from Asia Aviation, the right to receive adequate information with regard to Asia Aviation, the rights relating to participation and voting in the Shareholders Meeting to elect or remove members of the Board, appoint the external auditor, and make decisions on any transactions that affect the Company such as dividends payment, amendments to the Company's Memorandum of Association and Articles of Association or the Company's by laws, capital increases or decreases, and the approval of extraordinary transactions, etc.

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

- Asia Aviation will send the notice of the Shareholders' Meeting and supporting documents to each shareholder at least five business days prior to the Meeting date (or any period of time as required by laws). The invitation will provide relevant information on each



agenda item with opinions from the Board of Directors of Asia Aviation, proxy form as regulated by the Ministry of Commerce, and list of Independent Directors that the shareholders may select as their proxy, as well as map of the Meeting venue.

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

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

- In the case that any shareholder cannot attend a Shareholders' Meeting in person, Asia Aviation allows such shareholder to appoint a proxy, either an Independent Director or any person, to attend the Meeting on his/her behalf.
- Asia Aviation shall proceed Meeting registration and votes count with a barcode system so as to promote transparency, fairness and benefits for shareholders. In addition, the Company has provided a document check point in case of proxy to attend to the Shareholders' Meeting and provide stamp duty for the proxy form as well as staff to service at the registration. The Company will open for registration at least 2 hours before the Meeting. Furthermore, during the pandemic of COVID-19, the Company realises and concerns the health and safety of

the shareholders, the Company, therefore held Shareholder's Meetings via electronic media by complying with the Emergency Decree on the meeting via electronic media B.E. 2563 (2020) as well as the laws and other regulations concerned.

- Chairman of the Meeting will inform the shareholders of rules of the Meeting and voting procedures. Time will be allotted appropriately.
- All shareholders will be treated equally in expressing their opinion and raising questions in the Meeting. Directors and relevant Management team members will attend the Shareholders' Meeting to provide responses to any inquiry raised at the Meeting and to take any comments and suggestions into consideration or for further actions. After the Shareholders' Meeting, Asia Aviation prepares the complete and accurate minutes of the Meeting within 14 days and submits to related agencies within the prescribed time frame. Minutes of the Meeting will also be posted on Asia Aviation's website to allow interested shareholders and stakeholders to access the information.

Equitable Treatment of Shareholders

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

- Meeting shall be carried out as specified in the agenda enclosed with the Meeting notice. Additional agenda items shall not be imposed without informing the

shareholders prior to the Meeting unless necessary, especially items that shareholders should need significant time to study relevant information before making any decision.

- The minority shareholders can nominate Directors by submitting details of nominees and consent letters to the Chairman of the Board prior to the Shareholders Meeting within reasonable time period as regulated by Asia Aviation.
- Shareholders are encouraged the use of ballots for each agenda item. Ballots shall be kept in the Meeting room for vote count prior to the resolution announcement. For transparency, Asia Aviation will keep the ballots with shareholders' or proxy's signatures in case of examination if there is any future argument.
- Minutes of Meeting shall be recorded completely and accurately. The Minutes will be submitted to the Stock Exchange of Thailand within 14 days after the Meeting. Minutes of the Meeting will also be posted on Asia Aviation's website.
- Information is accessible in a complete, accurate, timely, and transparent manner, for shareholders by disclosing the significant information regularly.
- The Company and its subsidiary have set the policy and procedure for the Directors and Management and employees in using the inside information that has not been made public for personal interest and communicated the policy to their Directors, Management, and employees for their acknowledgement in writing under the Code of Conducts with details as follows:



The Use of Internal Information

- 1) Inform the Directors and Management regarding their duties in reporting the Securities Holding Reports for themselves, their spouses or cohabiting couple, and their minor children to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act B.E. 2535 (and its amendment), along with the Acquisition or Disposal of Securities Report for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 246, and the penalty as prescribed in Article 298 of the Securities and Exchange Act B.E. 2535 (and its amendment).
- 2) The Directors and Management of Asia Aviation, along with their spouses or cohabiting couple, and their minor children to prepare and disclose the Securities Holding Reports and the Acquisition or Disposal of Securities Report of Asia Aviation's securities to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act B.E. 2535 (and its amendment), and copies of the reports to be submitted to Asia Aviation on the same day as to the Securities and Exchange Commission.
- 3) Directors, Management and employees of Asia Aviation and its subsidiary, who have an access of any inside information that can affect price of stocks, shall be avoid or refrain from trading of Asia Aviation's stocks within one month before the financial statements or the inside information are accessible to the public and 24 hours after the said information is accessible

to the public. The person related to the information shall not disclose the information to the third party before the information is disclosed to the Stock Exchange of Thailand. Disciplinary punishment shall be imposed on the offender, as prescribed in the staff regulations of Asia Aviation and its subsidiary. Punishment, appropriately determined on a case to case basis, includes verbal warning, written warning, probation, or dismissal.

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

Conflict of Interests

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.

Information Disclosure and Transparency

Asia Aviation has put an importance on disclosing information that is accurate, complete, transparent, timely, and up to the standards set by the Stock Exchange of Thailand and the Securities and Exchange Commission. 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.

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, sub-committee member and Management and his/her roles and responsibilities and remuneration
5. Information on the attendance of Directors and sub-committee members in Meetings
6. Reports on the Interests of Directors, Management, and related persons
7. Each Director and Management has a duty to report buy-sale the Company's shares to Company Secretary 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, investors and related persons. The channel of communication is as follows:

Telephone: 02 562 5700
 Fax: 02 562 5705
 Email: taa_investorrelations@airasia.com
 Website: www.aavplc.com

Asia Aviation regularly presents information to analysts, investors, and employees at results briefing, roadshows, conference calls, and conferences organised by various entities. The Company also holds joint activities with SET to meet retail investors and has a press conference and press release to publicise its performance and its subsidiaries. Besides, Analysts, investors, and interested parties can also make an appointment via IR Booking webpage to join the meeting with our management or investor relations officer to inquire about its information and business prospects.

In 2020 - 2021, investor relation activities are summarised as follows:

Activities	2020 (times)	2021 (times)
International Roadshow	4 ⁽¹⁾	3 ⁽¹⁾
Domestic Roadshow	2 ⁽¹⁾	2 ⁽¹⁾
Results Briefing / Annual General Meeting of Shareholders	5	5
Company Visit / Conference call	66	79
E-mail / Phone calls	4-5 times daily	4-5 times daily
Site visit, Joint activities with SET and other agencies	2	1

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



The Company also arranges for the Compliance Unit to oversee the disclosure of information through various channels, for example, the Company's website, the Stock Exchange of Thailand's website, and 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.

Role of Stakeholders (GRI 120-17)

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 as well as initiating new varieties of products and services to serve the lifestyle of everybody.
- Listen to the opinion of customers through satisfaction survey and receive complaints via live chat (AVA) throughout 24 hours a day
- Directors, Management and employees at all levels shall not disclose customers' details without prior consent from customers or control persons of the Company group, unless the information is required to be disclosed to the third party by laws.

The details of the policy regarding responsibilities toward customers in 2021 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. Therefore, 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 management must be subjected to the objectives of use of proceeds; money must not be used in a way that could cause damage, control various collaterals and repayment of loan and interest to the lenders of all types in full and by the due date, comply with the terms of the entire loan agreement, as well as management to ensure the creditors of financial position and high repayment capacity. In case of default, the Company will notify creditors in advance for troubleshooting.

Competitors

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



Society

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

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

The details of the policy regarding responsibilities toward the society in 2021 are listed in the “Sustainability Report”.

Employees

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

Our employees are our most valuable resource and key to success. Therefore, Asia Aviation and its subsidiary are committed to continuously enhance our corporate culture and good working environment, to promote teamwork, and to treat our employees with courtesy and to respect them as individuals as well as their privacy. Private information of employees, for example, salaries, medical records, and families, shall not be disclosed to outsiders or those who are not relevant, unless the information is

required to be disclosed to the third party by laws. The employment, appointment, transfer and compensation shall be on the ethical basis and the human resources shall be engaged to the best advantage. The details are appeared as follow:

Recruitment Policy

- Thai AirAsia shall recruit and select the employees by considering the man power rates to be suitable for the size as well as structure of the organisation and developing nomination process of qualified personnel with knowledge, abilities and potentiality which is appropriate to the working position and conformable to the value of the Company including the objectives, development plan and succession by treating and giving equal opportunities to persons of every race, skin color, religion, gender, nationality, age, disabilities or other underprivileged groups.
- Process of Nomination and Recruitment shall be equitable and justifiable by having written examination and interview by the experienced committee with knowledge and abilities transparently.
- Employees are given importance and taken care of as a family member. Employees are appropriately taken care of in terms of compensation and benefit, in the warm and sharing working atmosphere.
- Mentoring system is promoted in order to create happiness for employees at work.

Benefit Management

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

- Annual health check-up
- Group life insurance
- Group health insurance
- Provident fund which Thai AirAsia contributes according to the period of membership at the maximum of 10%
- Thai AirAsia Savings Cooperative
- Free air ticket for employees’ weddings
- Free air tickets (8 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 for child birth
- Employee uniforms
- Financial aid for medical treatment of diseases including cancer, heart disease, stroke, chronic renal failure and lung disease.
- Financial aid for employee family in case of death of employee

Remuneration and Benefits Management

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



Employee Relation Activities

Thai AirAsia has opened opportunities to the employees to express opinion in the activities and participate in their internal activities in various types in order to encourage good relationship between the employees and employees, employees and the organisation including employees and community, enhancing unity among the group leading to happiness in working together in the organisation such as

- Activities for Society for example, Allstars Do Good Activities, Thai AirAsia comprehends the significance and advantages of blood donation to the society, consequently the Company has a policy to arrange the activities of blood donation every 3 months in cooperation with the Thai Red Cross to offer the opportunities to the employees in the organisation to donate blood conveniently and to be the plan to the employees to take care of themselves. The Company has started such blood donation activities since August 2018 but in 2021 to reduce the risk of pandemic of COVID-19, the Company has changed the policy to publicise that the employees go to donate blood at the place given services by Thai Red Cross. Moreover, the employees of AirAsia still join the volunteer groups at the vaccination services against COVID-19 at Royal Paragon Hall, Bang Sue Vaccination Center and Don Mueang Airport Vaccination Center.
- Activities of Anniversary of establishing the Company, the executives and the employees made merit together in accordance with the rituals of each religion and gives lunch to the employees all over the country.

- Activities to promote physical health of the employees, the employees get together according to their interest to exercise while Thai AirAsia supports the activities such as Run for Health Group, Yoga Group, Badminton Group, Football Group, Basketball Group, Cycling Group, and Golf Group etc. and to comply with the Prevention from COVID-19, the Company emphasises in open air ground like Running, Cycling, Jumping rope, Aerobic etc.
- The Activities to promote mental health of the employees, Thai AirAsia sees the important issues of mental health of the Company therefore encourage the employees to use the services of the consultancy of the mental health initiated by the Company under 'Allstars Peer Support' including the activities for example Allstars First, the donation by the employees for employees. This pilot project in August 2021 to lighten the burden of the expenses of the employees' families. Allstars First have given helping hands to more than 51 families with the cooperation from every working level who contact and donate to this activity.
- The Activities of employees relation online in case that the employees in some divisions have to work from home to decrease the risk of the pandemic of COVID-19, the Company arranged many activities through online such as CEO Town Hall Live on Workplace to inform the details related to the Company for employees, activities of the third language, Learn Thai with Funthai to add the language knowledge, Finwell tips to promote financial skill, Yoga activities through Zoom Meeting and Google Meet etc.

- Thank you Party Activities for 2021 is the good opportunity that the executives and the employees can meet and talk together in each division and to show the appreciation to the employees who work for AirAsia perseveringly throughout the year and to reduce the risk of the pandemic of COVID-19, the Company provides lunch with social distancing for employees by supporting the employees' shops who are financed to sell food and beverages of the employees or employees' families to serve in the party.
- AirAsia has 2nd Job Opportunity to develop the ability and skill of the employees from the job which the employees have good skill or experiences to increase the opportunities to get extra income without impact to the regular job and no conflict of interest. Presently, there are more than 17 companies participating in the project.

Human Resources Development

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



Additionally, Thai AirAsia realises that the loss of any key personnel may affect negatively to the Company substantially, resulting in perseverance of the Thai AirAsia to motivate and maintain the employees of Thai AirAsia through offering the motivation on the basis of performances and upgrading the skills and abilities of the employees with training by Thai AirAsia to let the employees participate in the meeting and attend the training continually in order that the employees receive and lift their skill level and abilities concerned (both in practice and development) to conform to the objectives of the business. On-the job training is another essential guideline to transfer knowledge from the specialists to the new employees or employees in practitioner level. The investment in human resources helps the employees increase their abilities in Thai AirAsia. Furthermore, these development activities still help the Executives at the primary and middle level to get ready for responsibilities of the Senior Management continually.

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

Pilot

All student pilots of Thai AirAsia enroll for domestic trainings at Bangkok Aviation Center 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 aircraft will be required to take part in the said trainings first. Trainings for specific aircraft are the categorising system to allow each pilot to specialise in one type of aircraft specially. Currently pilots are trained with Airbus A320 Flight Simulator, operated by CAE Kuala Lumpur Sdn Bhd. in Kuala Lumpur.

Training for Pilots

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

Cabin Crew

Cabin Crew training project for approximately 60 days (holidays included) held in CAE Kuala Lumpur Sdn. Bhd. in Kuala Lumpur and Asia Aviation Academy Training Center in Bangkok. All the trainings are conducted by the licensed trainers from the Civil Aviation Center of Thailand and/or certified by Thai AirAsia exclusive of mandatory

curriculum pursuant to the Regulations of the Civil Aviation Center of Thailand and additional curriculum for examples, the announcement to the public, personality caring and taking care of the passengers, selling goods on the aircraft and selling skills.

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

Training for Cabin Crew

- Safety Emergency Procedures
- First Aid and In-flight Medical Events
- Safety Management System
- Crew Resource Management
- Dangerous Goods Regulations
- Aviation Security

Ground Staff

All ground personnel shall take part in customer service training at CAE Kuala Lumpur Sdn. Bhd. 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.

Training for Ground Staff

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

Training for Ramp

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

Engineer

All engineers of Thai AirAsia shall take part in training at CAE Kuala Lumpur Sdn. Bhd. in Kuala Lumpur. The training takes 52 days with six-month on-the-job training before a test by the Quality Assurance Department of Thai AirAsia. Nevertheless, Thai AirAsia is offering a commitment for an employment of three years in return. Engineers at

Thai AirAsia are stationed at Thai AirAsia's hubs in Bangkok (Don Mueang), Bangkok (Suvarnabhumi), Phuket and Chiang Mai.

Trainings for Engineers

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

Trainings for other positions

Soft skills training

- 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
- Effective Time Management
- Effective Communication Skills

Occupational Safety, health and environment in the workplace

In 2021, Thai AirAsia has a responsibility to maintain a working environment to be safe for life and property of employees as well as strictly adhering to the labor laws. In addition, the Company has pursued on safety initiatives under the Safety Management System with the cooperative coordination with the Safety Department, sub-committees on Flight Safety, Cabin Safety, and Occupational Safety Health and Environment in the Workplace Committee for

projects, and reported directly to the Chief Executive Officer, 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 defining the safety issue in Allstars values that we call "SAFETY ALWAYS" Safety is everyone's responsibility.
- Behavior based safety (BBS) activity that creates a positive approach by ground safety officers 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 safe behavior above 99, and at the end of the program (December 2021), the percentage of safety behavior was 99.33
- Hazard reporter activity that focuses on the participation of employees in reporting hazards or unsafe work environments, and improvement on the safety issues reported by employees. Our staff can submit the hazard report via REDEYE system which the employees can also report by computer or mobile application.
- Kiken Yoshi Training (KYT) to train each employee to analyse or predict hidden hazards in operation and to prevent the hazard correctly and appropriately.



- Safety Journal activity, to communicate safety knowledge to employees once a month to make awareness and participation of all employees.
- Well Done Awards activity to give the safety certification for employee which found the abnormal or hazard in workplace
- 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 (SMS 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 plans for each station in the country and abroad to use as a guideline in handling the emergency appropriately at each station.
- Occupational Safety, Health and Environment in the Workplace Committee meeting every month to review the safety performance.
- 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 and outsource.
- Human Factors for all employees.

- Dangerous Goods Regulations for all employees.
- Safety Risk Management and Management of Change for representatives of each department.
- First aid training and medical evacuation training to reduce risk in incorrect medical evacuation.
- Inspection of the working environment, for example, noise dose monitoring and light inspection to take precaution in a working environment that may be a health hazard for employees.

However, the aforesaid activities on occupational safety, health and environment in the workplace proactively to prevent accidents and incidents resulted in the reduced ground accidents and incidents in 2021 to 4.17 per 10,000 departure flights which is reduced from 2020 about 13.05 percent.

Human Rights Policy

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

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

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

Asia Aviation and Thai AirAsia provide knowledge and understanding for the Board of Directors, Management, and all employees in regard of human rights in terms of policy and operating practice, and urge all employees and stakeholders to cooperate in examination and reporting any violation of human rights through Whistle Blower. For the year 2021 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 (GRI 102-17)

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 and thaiwhistleblower@airasia.com.

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

Anti-Corruption Policy

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

Definition

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

Overall Policy

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

Roles and Responsibilities

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



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

Operating Guidelines

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

- 6) Any activity in concern with the Anti-Corruption policy shall follow the guidelines on code of conduct, good corporate governance principles, and practice guideline towards stakeholders, relevant rules, regulations, and operating guidelines, and other guidelines that Asia Aviation and Thai AirAsia may issue in the future. However, for operation clarity in issues that involve high corruption risk, Directors, Management, all employees at all levels shall take extra attention when handle the following issues:

Financial or Other Benefits

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

Gifts and Hospitality

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



Cash or Other Rewards

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

Charitable Contribution or Sponsorship

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

Risk Assessment for Corruption

Thai AirAsia has 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 2021, 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 corporate communication channel, namely the Company's website, Annual Registration Statement/ Annual Report (Form 56-1 One Report)
- 2) Provide training on Anti-Corruption policy for new recruits.
- 3) Review Anti-Corruption policy annually.

Report of Interest

The Company has required that Directors, Management and employees shall report of interest for themselves and their related persons when they are appointed. Changes shall be revised and reported annually.

Code of Conduct

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

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



Compliance to Rules and Regulations and Code of Conduct

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

Thai AirAsia has 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.

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

Significant Changes and Developments to the Policies, Practices and System of Corporate Governance in the Year 2021

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

- Reviewed Corporate Governance Code for Listed Companies 2017 (CG Code) to apply with the corporate governance policy of the Company which had been resolved by the Company's Board of Directors in the Meeting on February 23, 2021.
- Considered the opinions concerning the sufficiency of the internal control system and approve the appraisal form of the internal control of Thai AirAsia for the year 2021.
- Approved the amendment of the Audit Committee Charter.
- Acknowledged the plan and strategy of Risk Management for the year 2021.

บัตรเครดิตแอร์เอเชีย ธนาคารกรุงเทพ

บัตรเดียวสำหรับคนชอบบิน ใ้ใช้ง่ายในชีวิตประจำวัน ทุก 20 บาท ได้รับ 1 airasia point แบบซิวๆ และเมื่อใช้บัตรและเดินทางที่แอร์เอเชีย รับ airasia point สูงสุด 10 เท่า จากเป็นสมาชิกระดับ Platinum ของ airasia rewards



airasia points

X10

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ซื้อตั๋ว
รับคะแนน X10
รับ 10,250*
airasia points



สิทธิพิเศษ



เช็คอินก่อนใคร



ขึ้นเครื่องก่อนใคร



รับกระเป๋าก่อนใคร

ฟรี! ในปีแรก



ที่นั่ง Hot Seat



เครื่องดื่มบนเครื่อง



โหลดกระเป๋า

ใช้ airasia points
จ่ายแทนเงิน
หรือแลกฟรี



โรงแรม



เที่ยวบิน



ดีลไลฟ์สไตล์



ซื้ออาหาร
รับ 10*
airasia points



ซื้อออนไลน์
รับ 995*
airasia points



จองโรงแรม
รับ 500*
airasia points

*จำนวนคะแนนที่ปรากฏในสื่อโฆษณานี้เป็นเพียงตัวอย่าง คะแนนที่ทำได้จริงจะคำนวณจากการใช้จ่ายทุก 20 บาท รับ 1 airasia point และ สูงสุด x10 เมื่อใช้ง่ายที่แอร์เอเชีย

ระยะเวลา : 1 ม.ค. 64 - 31 ธ.ค. 65



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

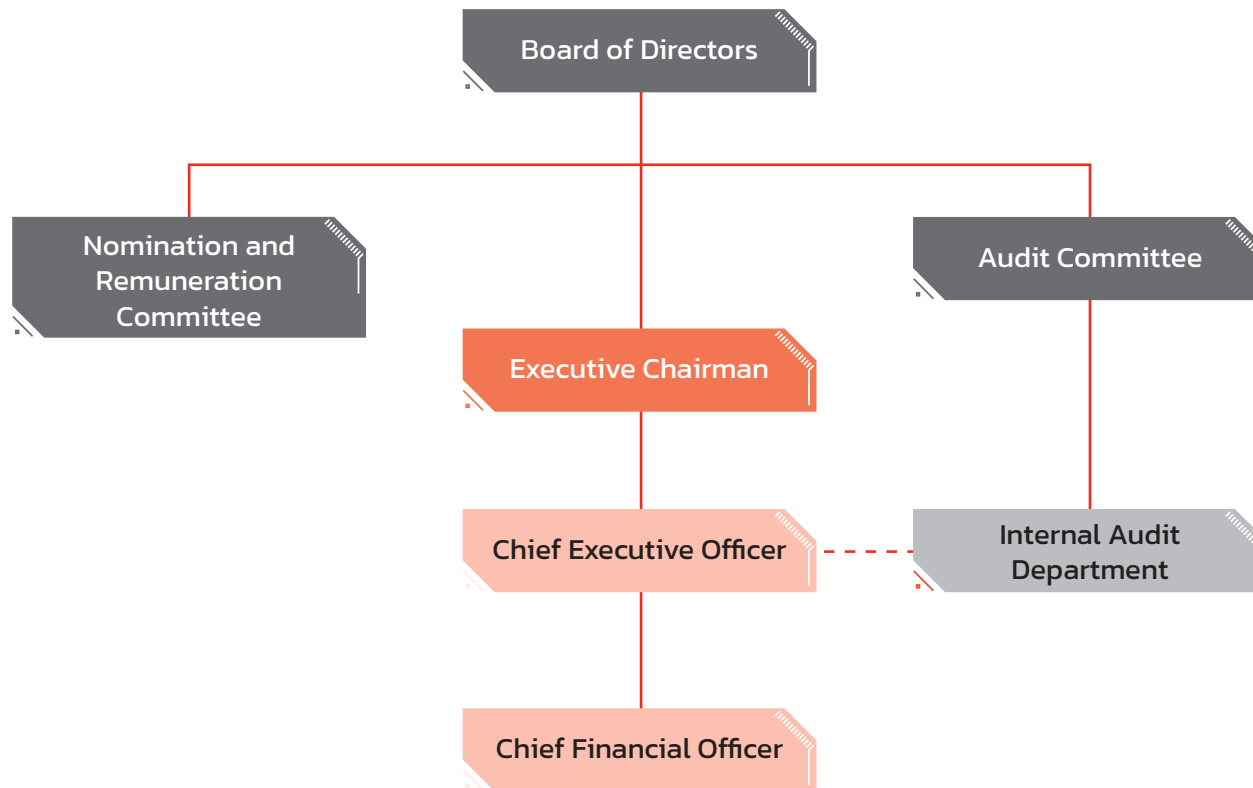




Governance Structure and Important Information of the Board of Directors, Sub-Committees, Management, Employee and Others

(GRI 102-18)

Governance Structure of Asia Aviation as of December 31, 2021



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

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

Information of the Board of Directors

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

The Board of Directors

On November 26, 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 has approved increasing 3 more directors from previously 9 directors total 12 directors and appoint new directors to be in line with the shareholding restructuring plan of the Company and Thai AirAsia and to conform to the strategy of business operation of the Company and the sustainable growth as the following details:

Appointing 3 new directors namely;

- (1) Dato' Mohamed Khadar Bin Merican
- (2) Mr. Tarumalingam A/L Kanagalingam; and
- (3) Mr. Rozman Bin Omar



Appointing 3 new directors to replace the directors who resigned namely;

- (1) Mr. Sirot Setabandhu as a director to replace M.L. Bovornovadep Devakul
- (2) Mr. Yuthapong Ma as a director to replace Mr. Preechaya Rasametani; and
- (3) Mr. Dinesh Nambiar as a director to replace Gp. Capt. Tanapat Ngamplang

Whereas the resignations of the 3 previous directors are effective since 26 November 2021.

Thus Mr. Sirot Setabandhu has been appointed as an independent director and Mr. Dinesh Nambiar has been appointed as an independent director and member of the Audit Committee instead of Mr. Nuttawut Phowborom while Mr. Nuttawut Phowborom will continue to be a director of the Company.

As of December 31, 2021, the Board of Directors of Asia Aviation comprises 12 Directors while 4 of them are Independent Directors equal to 1/3 (or 33 percent) of all Directors and 3 of them are Non-Executives Directors, equal to 25 percent of all Directors.

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

The Company Secretary is Miss Nisres Distes.



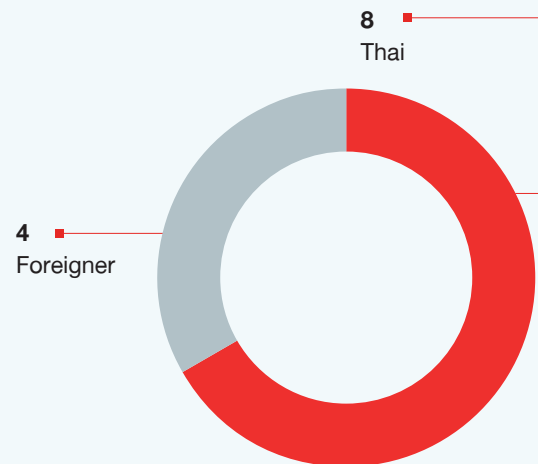
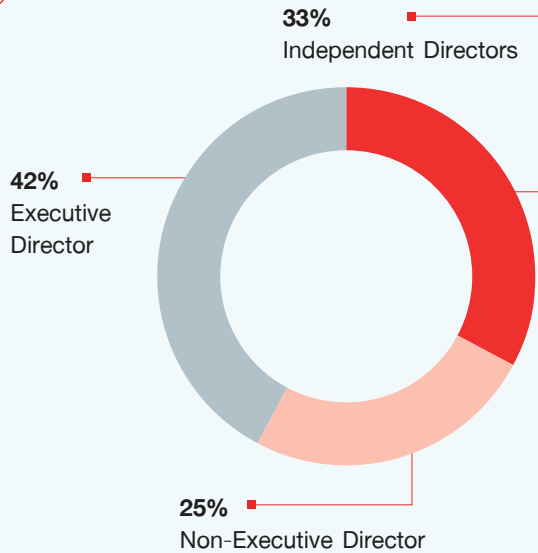
The Company disclosed Board of Directors Profiles as attachment on the Company's website at www.aavplc.com under title "Investor Relations", subtitle "Publications and download"

Authorised Directors

"Mr. Tassapon Bijleveld jointly sign with Mr. Santisuk Klongchaiya or Mr. Phairat Pornpathananangoon or Mr. Tharumalingam A/L Kanagalingam or Mr. Rozman Bin Omar, totaling two persons with an affixation of the Company seal."

Board Diversity Policy

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



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

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

Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors of Asia Aviation 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:

1. To conduct their duties in compliance with the laws, objectives, articles of association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings with responsibility, duty of care and duty of loyalty, and with the best interest of the Company.
2. To formulate and approve the vision, strategies, business directions, policies, targets, guidelines, operational plans and budget of Asia Aviation and its subsidiaries as prepared and proposed by Management and oversee the administration and the performance of the Management or any persons assigned to do such work to ensure compliance with the policies set out by the Board of Directors.
3. To follow-up the outcome of work to ensure compliance with the plan and budget on an ongoing basis.
4. To ensure that the Company and its subsidiaries adopt and set in place an appropriate, strong and effective accounting system, internal control and internal audit system. These include establishing reliable financial report.
5. To review the risk management procedures and policies and also follow up on the results.
6. To prevent conflicts of interests among stakeholders of Asia Aviation and its subsidiaries.



7. To consider and approve related party transactions of the Company and its subsidiaries in compliance with notifications and regulations of the Stock Exchange of Thailand.
8. To set up corporate governance policy according to the good governance principle and business etiquette, comprising the principles and good practice guidelines for Directors, Management and employees properly by focusing on the creation of consciousness of responsibilities to perform duties, understanding and strictly complying with them simultaneously with the regulations and procedures of the Company to be justifiable to every group of stakeholders as well as reviewing at least once a year.
9. To appoint the sub-committees such as Audit Committee, or any other sub-committees in order to appropriately assist and support the Board of Directors duties.
10. To provide the nomination system of the personnel to be responsible for the Major Management position properly and to have proper nomination with transparency and justification. The Senior Management of the Company from the Head of Department, Chief Executive Officer and Executive Chairman shall be appointed by the resolution of majority votes of the Board of Directors.
11. To conduct the assessment of self performance, Chief Executive Officers and Senior Management.
12. 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.
13. To seek professional opinions from external agencies, if required, in order to support the appropriate decisions making.

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

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

Duties and Responsibilities of Chairman of the Board

1. The Chairman has an important part in making decisions for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the Management, and provides recommendations for business operation

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

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



Information of the Sub-Committee

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

Audit Committee

Asia Aviation's Audit Committee comprises 3 Independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand. As of December 31, 2021, the Company's Audit Committee is as follows:

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

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

Term of Positions

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

Composition and Nomination of Audit Committee

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

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

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

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

Scope of Duties and Responsibilities of Audit Committee

1. To review and ensure that the Company has and submits financial reports that are correct, accurate and adequate.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the head of an internal audit unit and/or to hire external company or any other unit in charge of an internal audit.
3. To review the Company's compliance with the law on Securities and Exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the Company's business.
4. To consider and select, as well as propose the appointment of qualified external Auditor/Auditors together with the associated audit fee; whereby the consideration process should take into account the level of independence, credibility, availability of people resources together with the experience of the assigned auditors to audit the Company's accounts. Furthermore, a meeting should also take place with the authorised external Auditor of the Company, without the participation of management, at least once a year.



5. Consider and review all proposed related transactions or those transactions that may involve a conflict of interest, so that they comply with the applicable laws and regulatory requirements of the Stock Exchange of Thailand. As such, this is to ensure that such transactions are reasonable and for the maximum benefits of the Company
6. To prepare the Report of the Audit Committee and disclose the Report in the Company's Annual Report; whereby the Report is to be signed by the Chairman of the Audit Committee and must consist of all the following information and details as required and specified by the Capital Market Supervisory Board and the Stock Exchange of Thailand.
 - 1) an opinion on the correctness, accuracy, and comprehensiveness, together with the credibility of the Company's financial reports;
 - 2) an opinion on the adequacy of the Company's internal control system;
 - 3) 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;
 - 4) an opinion on the suitability of an auditor;
 - 5) an opinion on the transactions that may lead to conflicts of interests;
 - 6) the number of the Audit Committee Meetings, and the attendance at such meetings by each committee member;
 - 7) an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
 - 8) 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.

7. To review compliance with the anti-corruption policy and operating guidelines that are related to fraud and corruption.
 8. To review the effectiveness and efficiency of the established risk management measures, such as strategic, operational, financial, compliance, social, environmental, economic, tax, IT and corruption risks.
 9. To undertake any other activities as assigned by the Board of Directors and with the concurrence of the Audit Committee; as well as prepare and submit a report of the activities of the Audit Committee to the Board of Directors at least once every quarter.
- In undertaking its duties and responsibilities, the Audit Committee is directly responsible to the Company's Board of Directors; while the Board of Directors is responsible to external parties for the ongoing operations of the Company. In the event that there are any changes to the composition or the duties and responsibilities of the Audit Committee, the Company is required to disclose and inform such changes relating to the names of the Members of and the scope of responsibilities of the Audit Committee in accordance with the format as well as procedures specified by the Stock Exchange of Thailand within three (3) working days from such changes becoming effective via the Stock Exchange of Thailand's electronic communications system.
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:

- 1) Transaction that causes the conflict of interest;
- 2) Fraud or any significant irregular events or problems in the internal control system; and
- 3) The violation of law by Security and Exchange Commission, the Stock Exchange of Thailand's regulation or law related to the Company business.

If the Board or the executives do not promptly proceed to rectify the situations, an Audit Committee member shall report the existence of such transactions or actions to the office of the Securities and Exchange Commission or the Stock Exchange of Thailand. The Audit Committee shall report the result of an initial review to the office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the auditors, within thirty days from the date it is informed by the auditors of a suspicious behavior of a director, manager or person responsible for the juristic person operation who may have violated the laws. Any one of the Audit Committee may report that there are transactions or behaviors as mentioned above to the Securities and Exchange Commission or the Stock Exchange of Thailand.

11. To enable the Audit Committee to achieve its objectives, the Audit Committee has authority as follows:
 - 1) Authority related to management The Audit Committee has authority to invite management, concerned executives/department heads, or employees of the Company/subsidiary companies to attend meetings, provide explanations and opinions, or deliver documents as required and deemed necessary.



2) Authority related to internal control

- To approve the Internal Control Charter that is in line with the Company's business responsibilities.
- To establish understanding among the Auditor, the Board of Directors and the Internal Audit Office to ensure a unified direction.
- To approve the appointment, dismissal, transfer and termination of employment, and to consider the remuneration of the Head of the Internal Audit Department.
- To guarantee the independence of the Internal Audit Department.
- In performing its duties under the Audit Committee, the Internal Audit Department must prepare the annual audit plan and present it to the Audit Committee for approval. Compliance with the annual audit plan is under the supervision of management as some audit results require immediate rectification commanded by management.

3) Authority related to the Auditor

- To review and evaluate the performance of the Auditor.
- To propose person(s) to be the Company's Auditor(s) and the annual audit fee to the Board of Directors, which will then be approved by the shareholders' meeting.
- To review and evaluate the performance of the Auditor in order to determine the fee of other services and consultation work provided by the Auditor.
- To consult with the Auditor in the event that the Company experiences significant fraud or corruption situations.

- After the Audit Committee has received a case, in which the Auditor suspects that a Director or any person responsible for the Company's operations has committed an offence concerning his/her duties and responsibilities, the Audit Committee shall report preliminary findings to the Securities and Exchange Commission and the Auditor within thirty (30) days from the date the Auditor notifies the Audit Committee. In the event that the Audit Committee fails to take action after receiving the report from the Auditor, the Auditor shall notify the Securities and Exchange Commission.

12. Other authority

The Audit Committee has authority to audit related persons and matters under its scope of authority, duties and responsibilities. The Audit Committee has authority to seek external consultants or professional experts to provide advice and recommendations as the Committee deems necessary and appropriate.

The Audit Committee directly reports to the Board of Directors.

Nomination and Remuneration Committee

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

	Name	Position
1.	Mr. Nuttawut Phowborom	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 reappointment at the end of the term.

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 sub-committee members and consider qualified candidates to replace those who are vacating the office, and propose the matter for approval by Board of Directors and/or Shareholders as the case may be.



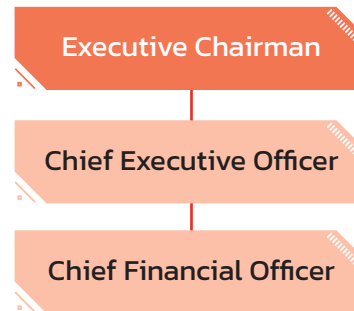
- Nominate qualified candidates for Senior Management when the position is vacant.
- Provide opportunity for minority shareholders to nominate candidates for the Company's Directors by giving appropriate time frame prior to the Shareholders' Meeting.
- To perform of other tasks as assigned by the Board of Directors.

Scope of Authority and Responsibilities for Remuneration

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

Information of Management

Management Structure



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

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

Management Team

As of December 31, 2021, the list of Asia Aviation's Management team is as follows:

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

Duties and Responsibilities of Executive Chairman

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

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

Executive Chairman may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of The Executive Chairman shall not provide Executive Chairman or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by



Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Asia Aviation or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Shareholders or the Board of Directors.

Duties and Responsibilities of Chief Executive Officer

1. To be designated as authorised person in administering Asia Aviation's business and/or day-to-day operation to be in line with the policies, business strategies, objectives, business plans, financial goals, and budgets of Asia Aviation as approved by the Board of Directors of Asia Aviation and/or resolutions of the Shareholders' Meeting.
2. To prepare business plans and to assign management authority as well as set the business operation and annual budgets for the approval from the Board of Directors of Asia Aviation, and to report the business progress according to the plans and budgets as approved to the Board of Directors of Asia Aviation.
3. To establish corporate structure and administrative procedures, including recruitment, training, dismissal, and remuneration, salary, compensation, bonus and other benefits for employees.
4. To monitor and report situation and performance of Asia Aviation and to propose alternatives and strategies in accordance to policies and market situation.

5. To manage and control all areas of operation for Asia Aviation, including finance, risk management, internal control, business operations and support functions, and human resources.
6. To represent Asia Aviation and to be designated as authorised person in liaising with government agencies and other organisations.
7. To oversee communication activities with the public, stakeholders, customers, and staff members in order to promote image and reputation of Asia Aviation.
8. To ensure good corporate governance.
9. To authorise the establishment, amendment, and modification of the employment rules and regulations for Asia Aviation such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits.
10. To consider, negotiate, and approve legal transactions, and/or business operation activities, and/or daily business administration of Asia Aviation within the Authority Limits approved by the Board of Directors of Asia Aviation.
11. To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Asia Aviation.

Chief Executive Officer may sub-delegate and/or delegate specific tasks to others. The sub-delegation and delegation is to be within the limit of the issued power of attorney letter and/or according to rules and regulations, or orders specified by the Board of Directors. However, the delegation of power or responsibilities of the Chief Executive Officer shall not provide Chief Executive Officer

or person delegated to approve any transaction in which he or any person who may have a conflict of interest (as defined by Notification of the Securities and Exchange Commission and Notification of the Capital Market Supervisory Board) would have an interest or might have any other conflict of interest with Asia Aviation or its subsidiaries, unless such approval is in accordance with the policy and criteria approved by the Shareholders or the Board of Directors.

Remuneration Policy for Senior Management

In 2021, the Company did not pay the monetary remuneration of the Management since Asia Aviation is holding company. Therefore, the policy on remuneration for Senior Management will be determined at Thai AirAsia as subsidiary and the core operating company.

Employees Information

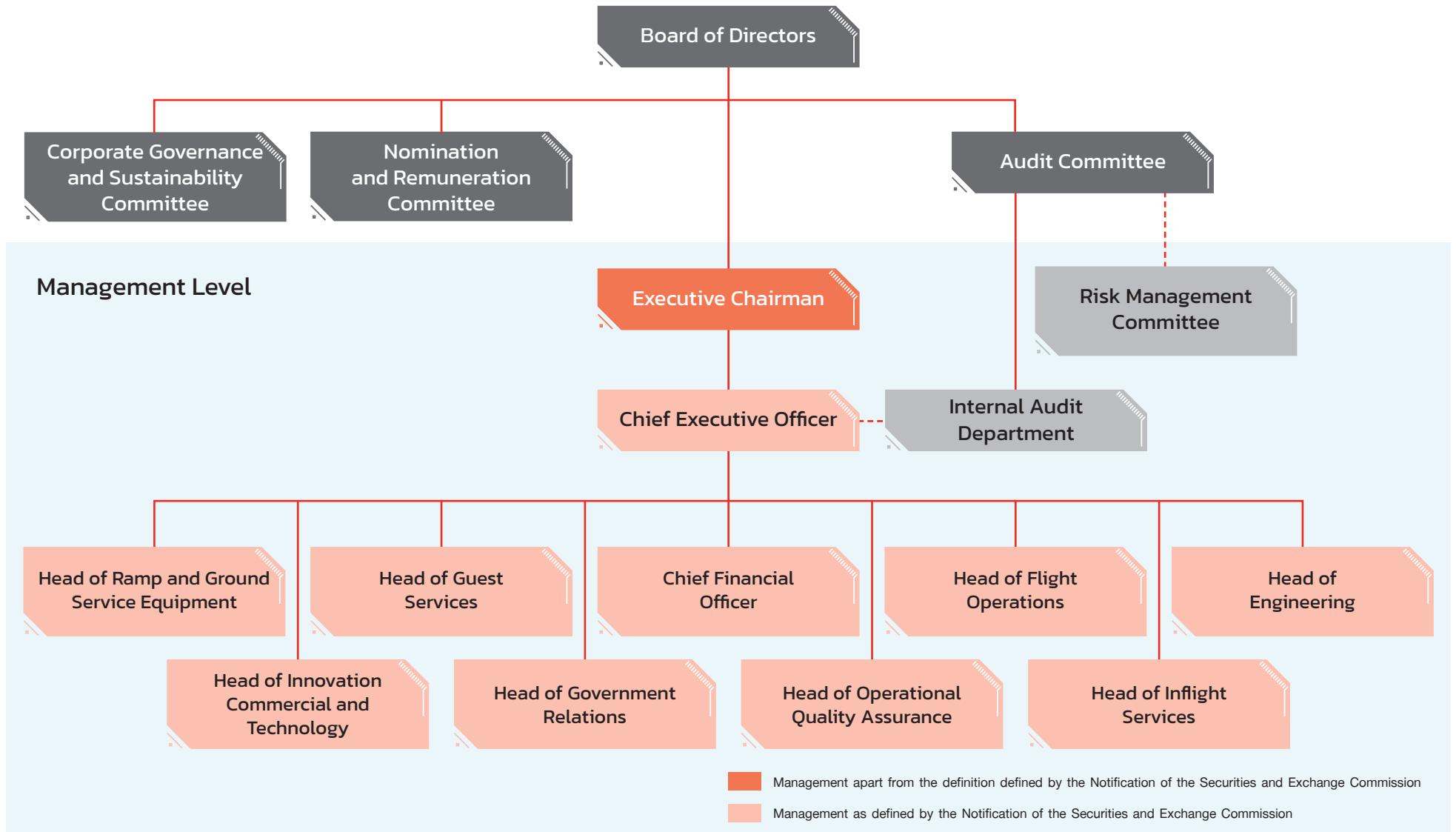
All Asia Aviation's employees had been transferred to Thai AirAsia since December 31, 2011.

Overall Remuneration for Employees

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



Corporate Governance Structure of Thai AirAsia (the Company's main business) as of December 31, 2021





Information of the Board of Directors of Thai AirAsia

The Board of Directors

On November 26, 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 has approved increasing 3 more directors from previously 9 directors total 12 directors and appoint new directors to be in line with the shareholding restructuring plan of the Company and Thai AirAsia and to conform to the strategy of business operation of the Company and the sustainable growth as the following details:

Appointing 3 new directors namely;

- (1) Mr. Yuthapong Ma
- (2) Mr. Sirot Setabandhu
- (3) Mr. Veerayooth Bodharamik

Appointing 2 new directors to replace the directors who resigned namely;

- (1) Mr. Tarumalingam A/L Kanagalingam as a director to replace Mr. Kamarudin Bin Meranun
- (2) Mr. Dinesh Nambiar as a director to replace Mrs. Pattra Boosarawongse

Whereas the resignations of the 2 previous directors are effective since November 26, 2021.


Thus Mr. Sirot Setabandhu has been appointed as an independent director and Mr. Dinesh Nambiar has been appointed as an independent director and member of the Audit Committee instead of Mr. Nuttawut Phowborom while Mr. Nuttawut Phowborom will continue to be a director of the Company.

As of December 31, 2021, the Board of Directors of Thai AirAsia comprises 12 Directors while 4 of them are Independent Directors equal to 1/3 (or 33 percent) of all Directors and 3 of them are Non-Executives Directors, equal to 25 percent of all Directors.

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

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



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

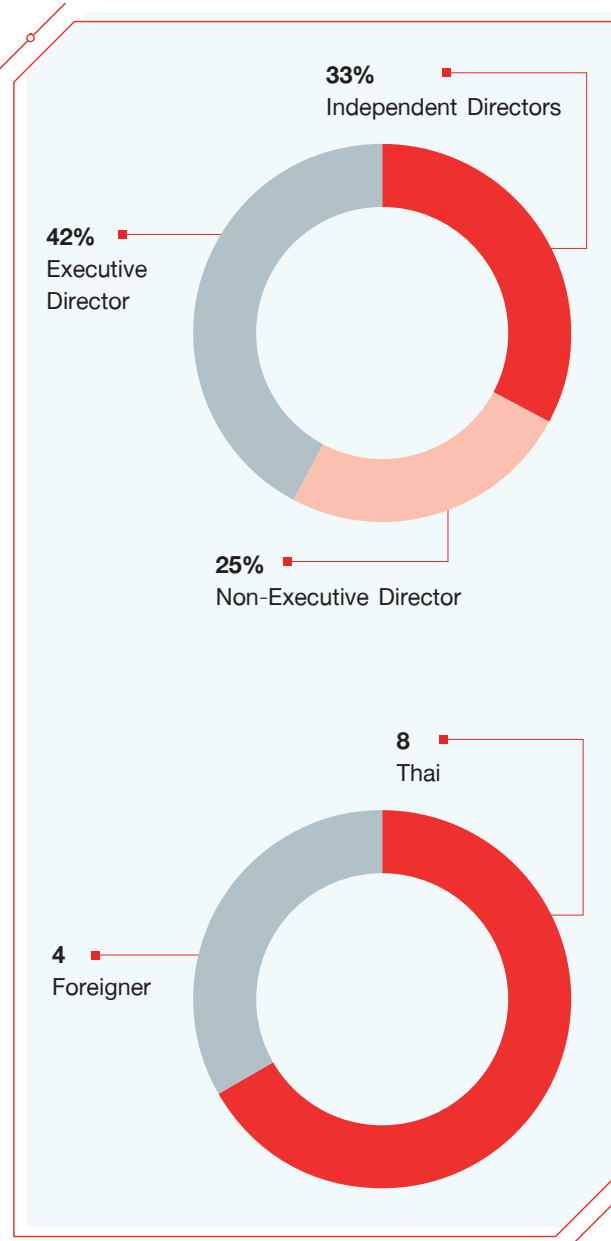


Authorised Directors

“Mr. Tassapon Bijleveld jointly sign with Mr. Santisuk Klongchaiya or Mr. Phairat Pornpathananagoon, totaling two persons with an affixation of the Company seal, or Mr. Santisuk Klongchaiya and Mr. Phairat Pornpathananagoon jointly sign with Mr. Tharumalingam A/L Kanagalingam or Mr. Rozman Bin Omar, totaling three persons, with an affixation of the Company seal.”

Board Diversity Policy

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



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

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



Scope of Duties and Responsibilities of the Board of Directors

The Board of Directors of Thai AirAsia 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 the best interests of Thai AirAsia and its shareholders. Scope of duties and responsibilities of Thai AirAsia's Board of Directors are as follows:

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

Duties and Responsibilities of Chairman of the Board of Directors

1. The Chairman has an important part in making decisions for the Company's policies as a result of the Board of Directors' Meeting that considers and sets the business direction together with the Management, and provides recommendations for business operation to the Management through the Chief Executive Officer without interfering in the daily duties of the Management. Chairman as the leader of the Board of Directors, oversees and monitors the performance of the Board of Directors and sub-committees and encourages all Directors to achieve the objectives as planned.
2. To be a leader in the Board of Directors' Meeting and to ensure that the Meetings are conducted effectively and efficiently and also comply with the laws, regulations and Article of Association of the Company. In addition, the Chairman encourages Directors to participate in Meetings, express their opinions equally and provide comments independently. In case of the votes come to a draw between two sides, the Chairman of the Board of Directors makes the casting vote. Another key role of the Chairman is to summarise the resolutions of the Meeting and ensure that all proceedings will be done clearly.



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

Information of the Sub-Committee

The Board of Directors appointed 4 sets of sub-committees to support the efficiency and effectiveness of the operation of the Board of Directors. Each sub-committee shall perform the duties in accordance with the charter of duties and responsibilities specified clearly and approved by the Board of Directors whereas such sub-committee shall give suggestions in various fields in which they are specialised to the Board of Directors. Thus, the compositions of each sub-committee including duties and responsibility are as follows:

Audit Committee

Thai AirAsia's Audit Committee comprises 3 Independent Directors and has the qualifications that meet the requirement of the Thai Capital Market Supervisory Board and the Stock Exchange of Thailand. As of December 31, 2021, Thai AirAsia's Audit Committee is as follows:

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

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

Term of Positions

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

Scope of Duties and Responsibilities of Audit Committee

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

Nomination and Remuneration Committee

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

Name	Position
1. Mr. Nuttawut Phowborom	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 reappointment at the end of the term.

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 sub-committee members and consider qualified candidates to replace those who are vacating the office, then propose the matters for approval by Board of Directors and/or Shareholders as the case may be.



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

Scope of Authority and Responsibilities for Remuneration

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

Corporate Governance and Sustainability Committee

Thai AirAsia's Board of Directors has passed a resolution to appoint Corporate Governance and Sustainability Committee which comprises 4 Committee members. As of December 31, 2021, 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. Phairat Pomphananangoon	Corporate Governance and Sustainability Committee

Term of Positions for Corporate Governance and Sustainability Committee

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

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

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

Risk Management Committee

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



The Risk Management Committee comprises of Executive Chairman, Chief Executive Officer and the Management from the major departments together with the Risk Management Unit to perform the risk management which may affect the operation as well as the risk from internal and external factors to keep it in proper balance level and acceptable by assessing and examining the result of the risk assessment from various departments including revising and presenting the planned policies related to the risk management annually. As of December 31, 2021, Thai AirAsia's Risk Management Committee is as follows:

	Name	Position
1.	Mr. Tassapon Bijleveld	Risk Management Committee Advisor
2.	Mr. Santisuk Klongchaiya	Chairman of Risk Management Committee
3.	Mr. Phairat Pornpathananagoon	Risk Management Committee
4.	Sqn.Ldr. Damrong Phaspipatkul	Risk Management Committee
5.	Mr. Banyat Hansakul	Risk Management Committee

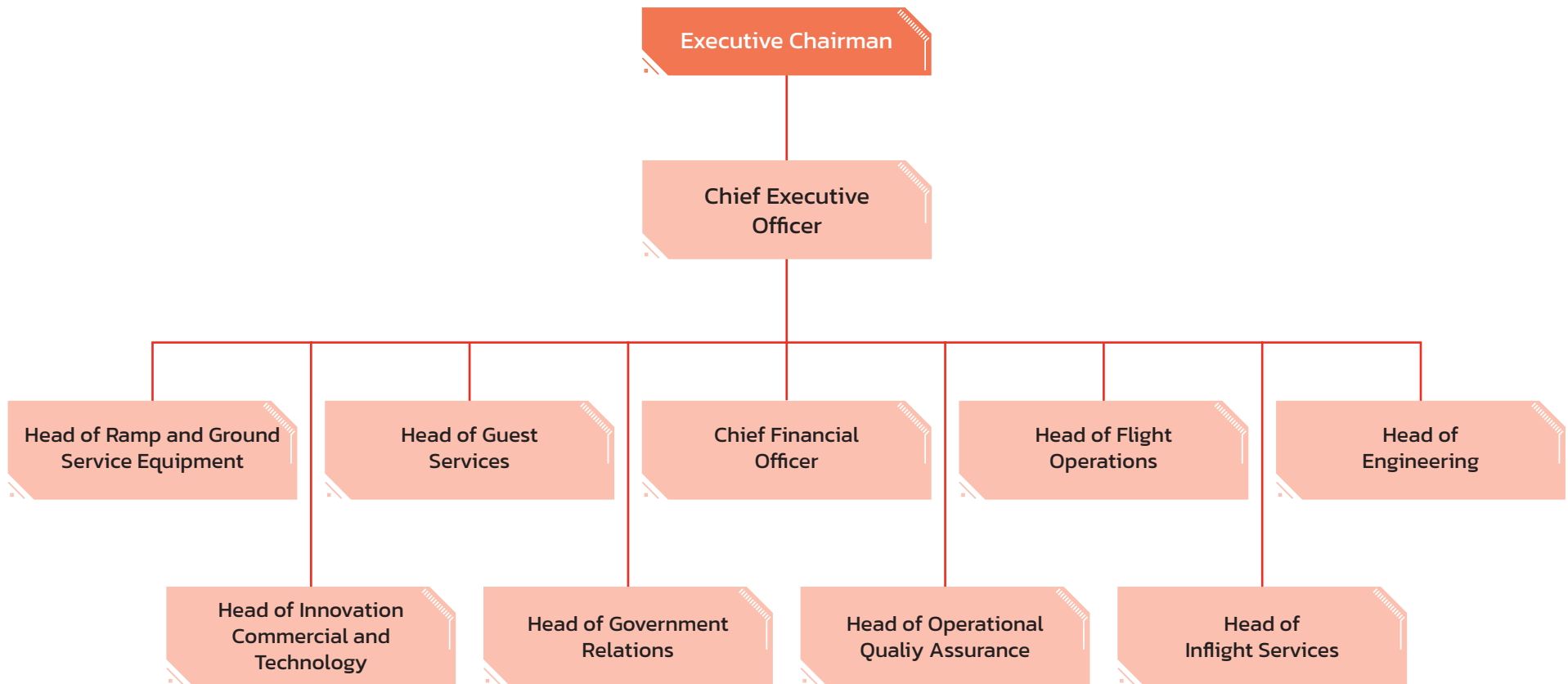
Scope of Duties and Responsibilities of Risk Management Committee

1. Define risk management policies to cover all risks from business operations. Along with drive and inculcate a risk culture throughout the organisation by raising awareness of the importance of risk management to all staff.
2. Oversee, develop and monitor framework and procedures of risk management across the Company (including the identification, analysis, assessment, management, following up and reporting of risks) to all departments and business continuity management (covering risk assessment, business impact analysis, recovery strategy, business continuity plan and crisis management) to ensure effective continuance of business operations in the event of a disruptive incident.
3. Review and recommend changes as needed to both of the risk management and business continuity management, strategies, frameworks, policies and procedures prior to submission and presentation to Audit Committee for final discussion prior to submission and presentation to the Board of Director for the approval.
4. Consider changes to the risk profiles arising from any changes from the approved strategic business plans of the Company and notify Audit Committee on any relevant matters deemed to be of major importance.
5. Oversee the reporting and always monitoring of risks, namely: Each risk is assigned a risk owner responsible for management, monitoring and reporting of risks particularly significant risks mitigation/ action plans are acted upon, monitored and addressed.
6. Review quarterly Enterprise Risk Management and Business Continuity Management (BCM) reports (relating to the Company's enterprise risk profiles, progress of risk management activities, and the assessment of the Company's key risks and the status of the BCM programme and incident reports)
7. Provide a risk management working group as necessary by supporting manpower budget and other necessary resources including the availability of various systems related to be ensured which are adequate and consistent with the scope of responsibility for risk management in all matters.
8. Ensure that adequate risk management training/ awareness sessions are in place to support the Company's employees in their understanding of risk management and fulfillment of risk management practices.
9. Ensure that adequate Business Continuity Management training/ awareness sessions are in place to support all employees in their understanding of the BCM programme and familiarity of their respective roles and responsibilities in the event of a disruptive incident.
10. Ensure that the Business Management Continuity programme and crisis management/ response plans are tested and audited periodically to ensure the effectiveness and preparedness of response during a crisis.



Information of Management

Management Structure



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

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




Management Team

As of December 31, 2021, the list of Thai AirAsia's Management is as follows:

Name	Position
1. Mr. Tassapon Bijleveld	Executive Chairman
2. Mr. Santisuk Klongchaiya	Chief Executive Officer
3. Mr. Phairat Pornpathananagoon	Chief Financial Officer
4. Mr. Banyat Hansakul	Head of Engineering
5. Miss Witchunee Kuntapeng	Head of Guest Service
6. Mr. Pipat Khunprakan	Head of Innovation Commercial and Technology
7. Miss On-anong Methapipatkul	Head of Inflight Services
8. Mr. Chatupong Hongwiset	Head of Ramp and Ground Service Equipment
9. Sqn.Ldr. Damrong Phaspipatkul	Head of Flight Operations
10. Mr. Bandit Pornsarote	Head of Operational Quality Assurance
11. Mr. Krid Pattanasan	Head of Government Relations



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

Duties and Responsibilities of the Executive Chairman

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

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

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



Duties and Responsibilities of 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, shareholders, customers, and staff members in order to promote image and reputation of Thai AirAsia.
7. Authorise the establishment, amendment, and modification of the employment rules and regulations for Thai AirAsia such as recruitment, dismissal, and employee regulations, as well as remuneration and other compensation, and benefits.

8. Consider, negotiate, and approve legal transactions, and/or business operation activities, and/or daily business administration of Thai AirAsia within the Authority Limits approved by the Board of Directors of Thai AirAsia.
9. To be responsible and designated as assigned or according to policies assigned by the Board of Directors of Thai AirAsia.

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

Remuneration Policy for Senior Management

Thai AirAsia has an annual performances assessment of Senior Management by the Board of Directors together with the Nomination and Remuneration Committee, considering the result of the assessment to support the

approval of the remuneration each year while considering the performances of business operation, the operation relating to the assigned policies as well as the overall economic and social situation including the competitiveness of remuneration and shall maintain the Senior Management equipped with knowledge, abilities to create the performance for the Company continually.

Considering Comparison of Remuneration Rates

Thai AirAsia has taken the result of survey on remuneration both in industry and profession as supportive consideration and comparison regularly every year to review the Pay Scale and principles of salary increment of the Company.

The performance assessment process of the Senior Management is as follows:

1. Goal setting: Goals have been set for 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 3 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 Margin, 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, on 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. **End Year 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.

Structure of Remuneration for Senior Management

Monetary Remuneration

In 2021, Thai AirAsia paid the remuneration to Management at the total amount of Baht 60.43 million, equivalent to 2.95%, compared with the total remuneration of the Company whereas such remuneration was the remuneration in the form of salary, equivalent to 79.14%, compared with the total remuneration of Management.

Since the situation of the pandemic of COVID-19, in 2021 every member of the Senior Management volunteers to reduce the remuneration at the percentage of 15%, 25%, 50% and 100% to reduce cost for the Company.

Other Remuneration

The main objective to pay other remuneration is to build up security for the Management in the same way with every employee and to help the Management and employee face the health problem, disability or death by providing provident fund, health insurance and other welfare benefits as appropriate and conformable to the applicable law as follows:

Provident Fund

Thai AirAsia provided provident fund for the Management by the Company contributing at the rate of 7% and 10% of the salary while in 2021, Thai AirAsia contributed the provident fund for the Management in total Baht 5.35 million.

Health Insurance Plan

Thai AirAsia provided Health Insurance Plan and Group Life Insurance.

Information of Employees

The number of employees as of December 31, 2021 was 5,003 persons and could be categorised by responsibility as follows:

Responsibility	December 31, 2021
Pilot, Co-Pilot and Student Pilot	738
Flight Attendant	1,129
Ground Operation	2,080
Engineer	588
Marketing and Commercial	0
Head Office	142
Others	326
Total	5,003



Whereas from January 1, 2021, all the employees of Thai AirAsia having responsibility in marketing, commercial sections and some sections of the Headquarters shall be transferred to AirAsia Com Travel (Thailand) and AirAsia SEA which provide commercial and marketing services and Human Resources services.

Remuneration for Employees

For the year 2021, Total remuneration for Thai AirAsia's employees includes salary, bonuses, overtime, provident funds and other compensation was Baht 2,049.59 million.

Whereas the pandemic situation of COVID-19 still continuing in 2021, Thai AirAsia has restructured, transferred and reduced manpower including the cooperation of employees who support projects to reduce cost as well as volunteering to use their leaves without pay.

Provident Fund

Thai AirAsia has set up a provident fund in accordance to the Provident Fund Act B.E. 2530 (and its amendments). Thai AirAsia contributes 3 - 10% of salaries to the provident fund and employees contribute 3 - 15% of their salaries.

Numbers of employees participating in the provident fund	Proportion of the employees participating in comparison to all employees (%)
2,859 employees	57

Thai AirAsia has selected fund manager who complies with the good governance code for institutional investors (Investment Governance Code "I Code"), being the Manager who manages the Fund with responsibility in compliance with the good investment governance excellently and has the investment guides leading to the utmost benefits for the members of the Fund which means the employees of the Company in the long term.

Other Important Information

Financial Controller

The Board of Directors resolved to appoint Mr. Anupan Tangphanitannan to be responsible directly in supervision of accounting who has full qualifications according to the criteria of the Securities and Exchange Commission Thailand and registered for accounting in accordance with the Announcement of the Department of Business Development to perform the duty to prepare financial

statement and consolidated financial statement of the Company accurately and reliable in regard to the accounting standard applicable to the public company limited and criteria specified in Section 56.

Company Secretary

The Board of Directors has resolved to appoint Miss Nisres Distes as Company Secretary since February 25, 2016 onwards, having duties and responsibilities as specified in the Securities Exchange Commission Act to perform the duty according to the law on providing documents and filing important documents of the Company. Additionally, she has the duties to give advice concerning regulations appropriate to be acknowledged by the Board of Directors and give advice in order to maintain interests of the Company, to help in other tasks and support work of the Board of Directors such as holding the Board of Directors' Meeting, Shareholders Meeting, Annual Report and keep the conflict of interest report for the Directors.

Internal Audit Manager

The Board of Directors has appointed Miss Duangporn Tantiwivat to be in the position of Internal Audit Manager of the Company since July 15, 2011 because she has experiences in performing the accounting audit and internal audit for over 17 years and understands the activities and



operations of the Company and subsidiary. Consequently, the Audit Committee considered that she is suitable to perform such duties, whereas the consideration and approval of the appointment, removal, transfer of a person in the position of Internal Audit of the Company shall be approved or accepted by Audit Committee.

Compliance

- The Company appointed Mr. Bandit Pornsarote to be in the position of Head of Operational Quality Assurance, having duties on overseeing the compliance to the rules and regulation set by the government authorities supervising the business operation of the Company.
- The Company appointed Miss Nisres Distes to be in the position of Compliance, having duties to supervise the Company's implementation according to the Securities and Exchange Act, rules and regulations and announcements of the authorities concerned.

The Company disclosed the qualification of the person holding the position as Financial Controller, Internal Audit Manager and Compliance as the attachment to this report which appears on the Company's website: www.aavplc.com under the title "Investor Relations" and subtitle "Publications and Download".



Investor Relations

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 Company has appointed Miss Pattarawan Sookplang as Investor Relations Senior Manager. The channel of communication is as follows:

Telephone: 02 562 5700
 Fax: 02 562 5705
 Email: taa_investorrelations@airasia.com
 Website: www.aavplc.com

Asia Aviation regularly presents information to analysts, investors, and employees at results briefing, roadshows, conference calls, and conferences organised by various entities. The Company also holds joint activities with SET to meet retail investors and has a press conference and press release to publicise its performance and its subsidiaries. Besides, Analysts, investors, and interested parties can also make an appointment via IR Booking webpage to join the meeting with our management or investor relations officer to inquire about its information and business prospects.

Audit Fee for the year 2021

Asia Aviation and its subsidiary paid the audit fee to EY Office Limited, as external auditors for 2021. Nevertheless, EY Office Limited, do not have any relation or any conflict of interest with the Company, the Executives, or the Major Shareholders, or anyone related to the aforementioned persons. The details of audit fee for the year 2021 are as follow:

Audit Fee

In 2021, Asia Aviation and its subsidiary paid the audit fee of Baht 5.00 million to the office of the Auditors, comprising Asia Aviation and subsidiary's audit fees of Baht 1.00 million and Baht 4.00 million, respectively. In addition, no other audit fee had been paid to the auditors or related parties to the auditors and the Auditors' office.

Non-Audit Fee

The Company and subsidiary did not pay compensation for other services in 2021.

The engagements of the office of the Auditors and its related parties to provide the non-audit work were reported to the Audit Committee to ensure that it would not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the Auditors.

รับประกันภัยโดย



รับประกันภัยการเดินทาง แบบครอบคลุม



✓ **คุ้มครองกรณีเที่ยวบินล่าช้า**

✓ **คุ้มครองกระเป๋าเดินทาง**
หรือทรัพย์สินส่วนตัวสูญหาย

✓ **มั่นใจด้วยความคุ้มครองค่ารักษาพยาบาล**
จากอุบัติเหตุและเจ็บป่วย **ครอบคลุม Covid-19**
สูงสุด **200,000 บาท**

✓ **ฟรี!** บริการช่วยเหลือฉุกเฉิน
ตลอด 24 ชั่วโมง

*ผู้ซื้อควรทำความเข้าใจในรายละเอียดความคุ้มครอง
และเงื่อนไขของกรมธรรม์ฯ ก่อนตัดสินใจทำประกันทุกครั้ง



ซื้อง่าย คลิกเดียวมั่นใจ
ดูแลให้ตลอดทริป

ประกันการเดินทางแผนไปกลับจาก Tune Protect ดูแลตลอดทริปตั้งแต่เช็คอินจนเดินทางกลับ คุ้มครองค่ารักษาพยาบาล
จากอุบัติเหตุและเจ็บป่วย หมดกังวลหากทรัพย์สินส่วนตัวสูญหายหรือเสียหายขณะท่องเที่ยว

ช่องทางการซื้อประกัน



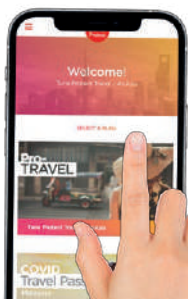
ซื้อพร้อมบัตรโดยสาร
ที่ airasia.com



ผ่านเมนูจัดการบुकกิ้ง
หรือขณะทำการเช็คอินผ่านเว็บไซต์



ผ่านทางเว็บไซต์
www.tuneprotect.com/airasia





Reports and Results of Major Performance on the Corporate Governance

The Board of Directors is the representative of the shareholders who perform the duties of the leader, set up policies, direction, and strategy for the Company leading to the increasing competitiveness on the basis of the business operation according to the Principles of Good Corporate Governance as well as controlling the management effectively to create the sustainable value for the shareholders, set up organisational culture and value properly and put them into practice in every levels of the organisation while the Board of Directors shall use their own discretion to make business decision and practice reasonably that they are the utmost advantages to the Company and the shareholders including considering the advantages of every group of stakeholders as appropriate.

Summary of the Results of Performances of the Board of Directors in the year 2021

In the past year 2021 the Board of Directors understood the roles, duties and realised the responsibilities as the good leaders to govern the organisation to have good management by performing the duties according to the Principles of Good Corporate Governance for the listed Company, participated in and gave approval for setting up strategies, policies for operations as well as allocation of major resources to achieve the objectives and targets including following-up, assessing and supervising the operation regularly in the Meeting of Company's Board of Directors. It also created the value to the business sustainably in order to be competitive and with good performances, operated the business with morality, respected the right and is responsible for the shareholders as well as the stakeholders and considered the impact upon the public and environment and had policies and good planning to be adjustable under the unexpected changes.

Nomination, Development, Assessment of Performance of the Board of Directors

Nomination of Directors

The nomination and consideration of appointing the Director duly retired by rotation in the year 2021 of Asia Aviation had been operated through the process of recruitment of Nomination and Remuneration Committee. There are 3 directors who retired by rotation for the year 2021, comprised 1 independent director; namely Mr. Vichate Tantiwanich, 1 executive director namely; Mr. Phairat Pornpathananangoon and 1 non-executive director namely; Mr. Preechaya Rasmetanin (who has already resigned from the position of director on November 26, 2021). Nomination and screening will be considered from knowledge, abilities, experiences in various fields, suitable with the structure, size and composition of the Company's Board of Directors which will be beneficial to the operation of the Company as well as full qualification pursuant to the law and related regulations to support the consideration of performances, continuity of management and participation in the operation of each Director as significant. Every director considered to be re-elected to resume position obtained assessment of performances at the rate of more than 96% and participated in performing their duties regularly. Moreover, the Company also opened chance for the minor shareholders to nominate a person with suitable qualifications to be nominated as such Director alternatively from December 15, 2020 to February 1, 2021. However, there was no shareholder nominating the Director to be appointed.



List of Directors duly retired by rotation in 2021	Qualifications
Mr. Vichate Tantiwanich (Independent Director)	He has the full qualifications to be independent director pursuant to the law as well as being knowledgeable, abilities, experiences in various fields and also specialised in economy, capital market, strategy, and management which can support the operation of the Company's business very well and also being representative of shareholders independently. In addition he can take care of the benefits of the minor shareholders equally and can perform his duty and join the Board of Directors Meeting by giving opinion independently.
Mr. Phairat Pornpathananagoon (Executive Director)	He has the full qualifications to be director pursuant to the law as well as being knowledgeable, abilities, experiences in accounting and finance and he has grown inside the organisation so he has good experiences in aviation business and also specialised in capital management, financial risk management as well as strategic planning which can support the operation of the business of the Company and subsidiary to achieve the targets as planned.
Mr. Preechaya Rasmetanin (Non-Executive Director)	He is knowledgeable, abilities, various experiences especially the experiences of being senior management in the organisation so he has good experiences in aviation business and also specialised in engineering and management which can support the operation of the business of the Company and subsidiary to achieve the targets as planned.

According to the above-mentioned details, therefore the Nomination and Remuneration Committee presented the opinion to the Board of Directors to approve the 3 Directors who duly retired by rotation to be re-elected to assume the positions for another term. Then the list of such directors' names will be presented to the Shareholders Meeting to elect the Directors as per the criteria further.

For the resolution to re-elect the Directors to assume the positions through the Shareholders Meeting, it is specified that the majority votes come from the shareholders attending the Meeting and casting their votes. In this case when any shareholder abstains, the vote of the one who abstains shall not be counted as the base of votes while the Company shall ask the shareholders to use the ballots to vote for the Director individually. The shareholders are requested to cast all votes they have to elect the nominated persons one by one then the Meeting has resolved to re-elect to be in the position of Directors for another term with the majority of votes of the shareholders attending the Meeting and cast their votes.

On November, 26 2021 the Extraordinary General Meeting of Shareholders No. 1/2021 has approved increasing 3 more directors from previously 9 directors total 12 directors and appoint new directors to be in line with the shareholding restructuring plan of the Company and Thai AirAsia and to conform to the strategy of business operation of the Company and the sustainable growth as the following details:

Appointing 3 new directors namely;

- (1) Dato' Mohamed Khadar Bin Merican
- (2) Mr. Tarumalingam A/L Kanagalingam; and
- (3) Mr. Rozman Bin Omar

Appointing 3 new directors to replace the directors who resigned namely;

- (1) Mr. Sirot Setabandhu as a director to replace M.L. Bovornovadep Devakul
- (2) Mr. Yuthapong Ma as a director to replace Mr. Preechaya Rasmetanin; and
- (3) Mr. Dinesh Nambiar as a director to replace Gp. Capt. Tanapat Ngamplang



Thus Mr. Sirot Setabandhu has been appointed as an independent director and Mr. Dinesh Nambiar has been appointed as an independent director and member of the Audit Committee instead of Mr. Nuttawut Phowborom while Mr. Nuttawut Phowborom will continue to be a director of the Company.

The nomination and consideration of appointing new directors had been operated through the process of recruitment of the Nomination and Remuneration Committee that the increasing of such directors will help increase the efficiency and suitable for the shareholding restructuring of the Company and Thai AirAsia while the 6 new appointing directors are fully qualified by law and the relevant rules and regulations, they are appropriate in the qualifications, experiences, knowledge, abilities and readiness to contribute their time to perform the duties as directors including being the specialists necessary for the Directors of the Company and are fully qualified pursuant to Section 68 of the Public Company Limited B.E. 2535 (1992) and not being prohibited persons according to the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand and have the following knowledge and abilities in various fields:

List of Newly Appointed Directors	Qualifications
Dato' Mohammad Khadar Bin Merican (Non-Executive Director)	He is knowledgeable, capable, specialised in accounting and finance and experienced in Aviation business for more than 5 years. As a result he has perspective and good guidance to give advice and suggest policies in business operation and also being in the position of director in Thai AirAsia before until present therefore he has knowledge and understanding the business operations of the Company and subsidiary and support the operating of Company's business very well throughout the times.
Mr. Tarumalingam A/L Kanagalingam (Executive Director)	He is knowledgeable, capable, and experienced in management, operating strategy in accordance with the concept of low cost, purchasing, services, monitors the customers, improves the services and cost saving through digital system and also is the leader of Airline business and has abilities in strategy to support the operating of Company's business very well.
Mr. Rozman Bin Omar (Executive Director)	He is knowledgeable, capable, specialised in accounting and finance, management, strategy, policies, objective and mission of the Company and experienced in Aviation business more than 10 years and also being in the position of Director in Thai AirAsia before until present therefore he has knowledge and understanding the business operating of the Company and subsidiary. With such qualifications will support the operating of the Company's business as well as he can give good advices regarding the management strategy to the Board throughout the times
Mr. Sirot Setabandhu (Independent Director)	He has the qualifications to be Independent Director as specified by law as well as being an expert, is knowledgeable, capable, experiences in various fields such as accounting and finance, economy, business administration, supervising business and sustainable development and experts in engineering. With such qualifications will support the operating of Company's business very well and also be representative of shareholders to give essential opinions independently.



List of Newly Appointed Directors	Qualifications
Mr. Yuthapong Ma (Non-Executive Director)	He is knowledgeable, capable in accounting, finance and administration and business management, economy, supervising and sustainable development and also experts in finance and investment who can apply the experiences and knowledge to support the management and gives good advices in business operation in many situations very well.
Mr. Dinesh Nambiar (Independent Director)	He is knowledgeable, capable, experienced in business administration for more than 20 years who is experts and can gives good advices in business operation very well and also specialises in various fields such as accounting and finance, administration, business administration, marketing management and marketing communication, economy, engineering, governance and sustainable development etc.

Nomination of Senior Management

In nominating the candidates for Chief Executive Officer and Senior Management members will initially screen with appropriate and transparent 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 successors will be assessed their potential and the ability to prepare for the replacement of those positions whereas there are resignations or retirement or other reasons. The list of candidates will be proposed to Nomination and Remuneration Committee for their consideration and presented to the Board of Directors for further approval.

However, in the year 2021, there was no nomination and electing the new Senior Management.

Knowledge Development for the Directors and Management

The Board of Directors of Asia Aviation promoted and facilitated the training and knowledge development for the Directors and Management of the Company including subsidiary to enable them to perform the duties and govern business operation of the Company and its subsidiary efficiently as well as improved the performance continually by supporting the Directors and Management to attend the seminars, courses useful for performing the duties including the course arranged by the Government's Supervisory Agency or Independent Organisation such as the Directors' Course of Thai Institute of Directors which the Securities and Exchange Commission Thailand has specified that the Board of Directors of listed companies shall pass at least one Course namely; Directors Certification Program (DCP), Directors Accreditation Program (DAP) and Audit Committee Program (ACP) etc. as well as the courses related to the knowledge and abilities development and increase the potentiality to perform the duties.



The Performance Assessment of the Board of Directors

Asia Aviation and its subsidiary have the performance assessment of the Board of Directors and sub-committees once a year by dividing into the performance assessment of the Board of Directors as a whole and the self-assessment of the Directors on an individual basis, to be used as the framework in examining the performance of the Board of Directors and sub-committees. For the purpose of improving the performance of the Board of Directors to correspond with specified policies.

The performance assessment of the Board of Directors and sub-committees covers main areas as follows:

1. Structure and qualifications of the Board of Directors
2. Roles, duties and responsibilities of the Board of Directors
3. Board of Directors' Meeting
4. Performance of the Directors
5. Relationship with the Management
6. Self-improvement of the Directors and the Management development

In 2021, the performance assessment of the Board of Directors and sub-committees of Asia Aviation detail as follows:

the Board of Directors / Sub-committees	Self-Assessment as a whole (%)	Self-Assessment on an individual basis (%)
Board of Directors	96	97
Audit Committee	99	98
Nomination and Remuneration Committee	93	98

The performance assessment of the Board of Directors and sub-committees of Thai AirAsia detail as follows:

the Board of Directors / Sub-committees	Self-Assessment as a whole (%)	Self-Assessment on an individual basis (%)
Board of Directors	94	96
Audit Committee	100	99
Nomination and Remuneration Committee	85	99
Corporate Governance and Sustainability Committee	100	100
Risk Management Committee	100	100

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



The Performance Assessment of Chief Executive Officer

Consequently, Asia Aviation operates its business by holding shares in Thai AirAsia which is its subsidiary that operates the core business for the Company, therefore, The performance assessment of Chief Executive Officer has been established for Thai AirAsia.

The Board of Directors and the Nomination and Remuneration Committee of Thai AirAsia has arranged for an annual performance assessment for the Chief Executive Officer, main areas as follows:

Section 1: Progress of plan with specified goals and milestone for each goal

Section 2: Performance assessment

- Leadership
- Strategic setting
- Strategic practice
- Financial planning and results
- Relationship with the Board of Directors
- External relationship
- Management and relationship with employee
- Position succession
- Knowledge of products and services
- Personal characteristics

Section 3: Self-improvement

Meeting Attendance and Remuneration for the Board of Directors Individually

Board of Directors Meeting

The Articles of Association of Asia Aviation specified that the Board of Directors shall hold a Meeting at least once every three months and may be additional special Meeting as necessary and specified that the Directors attending the Meeting shall consist of at

least half of the total numbers of Directors to form a quorum whereas the Board of Directors shall set the Meeting date for the whole year in advance and notify each Director to acknowledge it and distribute the letter of invitation for the Meeting to the Directors to consider before the Meeting date not less than 5 business days unless it is necessary or urgent to preserve the rights or benefits of Asia Aviation. In every Meeting, the agenda shall be set up precisely during which the Chairman of the Board discussed with the Chief Executive Officer and the Company Secretary to approve the agenda of the Meeting while the other Directors can propose the agenda or other related issues for consideration including the complete and sufficient documents supporting the Meeting by distributing them to the Board of Directors in advance to study the information sufficiently before attending the Meeting. While in the Board of Directors, Asia Aviation Meeting, every Director can discuss and express the opinion openly. Furthermore, in Asia Aviation Board of Directors Meeting, Senior Management shall be invited to attend the Meeting in order to provide more details as the direct persons concerned.

Asia Aviation is committed to providing the Board of Directors with adequate, complete continuous and timely information prior to the Board of Directors' Meeting. The Directors can directly and independently contact the Company Secretary. The Company Secretary is responsible for advising the Board of Directors of Asia Aviation on the compliance with legal and regulatory requirements.

The Board of 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.



Attendance of the Board of Directors' Meeting

Every Director of Asia Aviation has placed great importance on, and dedicated the time to attend the Board of Directors' Meeting, Sub-committees Meeting and the Annual General Meeting of Shareholders with the details of attending the Meeting of each Director in 2021 as follows:

Name	Annual General Meeting of Shareholders 2021	Extraordinary General Meeting of Shareholders No. 1/2021	The Meeting		
			Board of Directors	Audit Committee	Nomination and Remuneration Committee
1. Mr. Vichate Tantiwanich	Join	Join	7/7	5/5	3/3
2. Mr. Nuttawut Phowborom	Join	Join	7/7	5/5	3/3
3. Mr. Veerayooth Bodharamik	Join	Join	7/7	5/5	3/3
4. Mr. Tassapon Bijleveld	Join	Join	6/7		
5. Mr. Santisuk Klongchaiya	Join	Join	7/7		
6. Mr. Phairat Pornpathananangoon	Join	Join	7/7		
7. M.L. Bovornovadep Devakula	Join	-	7/7		
8. Gp.Capt.Tanapat Ngamplang	Join	-	7/7		
9. Mr. Preechaya Rasametani	Join	-	7/7		

Remarks: M.L. Bovornovadep Devakula, Gp.Capt.Taanapat Ngamplang and Mr. Preechaya Rasametani did not attend the Extraordinary General Meeting of Shareholders No. 1/2021 since they have resigned from the positions as directors on November 26, 2021 which is the meeting date.

In 2021, the proportion of attending the Board of Directors' Meeting individually for 8 Directors was equal to 100% of the total number of the Meetings and 1 Director having proportion of attending the Meeting was equal to 86% of the total numbers of the Meetings.



The details of attending the Meeting of each Director of Thai AirAsia in 2021 are as follows:

Name	The Meeting				
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainability Committee	Risk Management Committee
1. Mr. Vichate Tantiwanich	7/7	5/5	3/3	1/1	
2. Mr. Nuttawut Phowborom	6/7	5/5	3/3		
3. Mr. Tassapon Bijleveld	6/7		3/3	0/1	0/2
4. Mr. Santisuk Klongchaiya	7/7			1/1	2/2
5. Mr. Phairat Pornpathananangoon	7/7			1/1	2/2
6. Datuk Kamarudin Bin Meranun	3/7				
7. Mr. Rozman Bin Omar	7/7				
8. Mrs. Pattra Boosarawongse	7/7				
9. Dato' Mohamed Khadar Bin Merican	7/7				

Whereas in 2021, the proportion of attendance of 6 directors individually represented 100% of the total numbers of meeting and 2 directors at the proportion of 86% and 1 directors attending the meeting represents 43% of the total numbers of the meeting.

Remuneration for Directors of Asia Aviation

Monetary Remuneration

In 2021, Monetary remunerations of the 5 individual directors who are not Executive Directors are the total of Baht 4.45 million. The remunerations include salary and meeting allowance as follows:

Name	Director's Remuneration (Baht)			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Total
Mr. Vichate Tantiwanich (Chairman of the Board of Directors/ Chairman of the Audit Committee/ Nomination and Remuneration Committee)	785,000	435,000	60,000	1,280,000
Mr. Nuttawut Phowborom (Director/ Audit Committee/ Chairman of Nomination and Remuneration Committee)	588,000	308,000	60,000	956,000
Mr. Veerayooth Bhodharamik (Director/ Audit Committee/ Nomination and Remuneration Committee)	628,000	348,000	60,000	1,036,000
Mr. Preechaya Rasametanin	588,000			588,000
Gp.Capt. Tanapat Ngamplang	588,000			588,000

**Other Remunerations***Ticket Benefits*

Each Director of Asia Aviation (and his/her family members, meaning spouse and legitimate children) is entitled to one free round-trip ticket for any destination per month, in total twelve tickets in one year with term and condition of the Company's Policy. The Directors are entitled to the said benefit only while they are serving their office terms as the Directors of Asia Aviation. In 2021, the Directors and family members had spent ticket benefits totaling 19 tickets.

Remuneration for Directors of Thai AirAsia**Monetary Remuneration**

In 2021, Monetary remunerations of the 3 individual Directors who are not Executive Directors are the total of Baht 1.10 million. The remunerations include meeting allowance as follows:

Name	Director's Remuneration (Baht)				Total
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Sustainability Committee	
Mr. Vichate Tantiwanich (Chairman of the Board of Director/ Chairman of the Audit Committee / Chairman of Corporate Governance and Sustainability Committee / Nomination and Remuneration Committee)	250,000	150,000	80,000	40,000	520,000
Mr. Nuttawut Phowborom (Director/ Audit Committee / Chairman of Nomination and Remuneration Committee)	200,000	120,000	60,000		380,000
Dato' Mohamed Khadar Bin Merican (Non-Executive Director)	200,000				200,000

**Changes in Shares Held by Board of Directors and Management in 2021**

	Name	Position	Number of Shares on December 30, 2020	Number of Shares on January 31, 2022	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. Veerayooth Bhodharamik	Director/ Audit Committee	-	-	-	-
	Spouse and minor child	-	-	-	-	-
3.	Mr. Dinesh Nambiar	Director/ Audit Committee	-	-	-	-
	Spouse and minor child	-	-	-	-	-
4.	Mr. Sirot Setabandhu	Independent Director	-	-	-	-
	Spouse and minor child	-	-	-	-	-
5.	Mr. Tassapon Bijleveld	Director / Executive Chairman	1,965,088,286	2,325,088,286	360,000,000	20.06
	Spouse and minor child	-	-	-	-	-
6.	Mr. Santisuk Klongchaiya	Director/ Chief Executive Officer	9,712,091	7,041,214	(2,670,877)	0.06
	Spouse and minor child	-	-	-	-	-
7.	Mr. Phairat Pornpathananagoon	Director/ Chief Financial Officer	200,000	234,706	34,706	0.0020
	Spouse and minor child	-	-	-	-	-
8.	Mr. Tarumalingam A/L Kanagalingam	Director	-	-	-	-
	Spouse and minor child	-	-	-	-	-
9.	Mr. Rozman Bin Omar	Director	-	-	-	-
	Spouse and minor child	-	-	-	-	-
10.	Dato' Mohamed Khadar Bin Merican	Director	-	-	-	-
	Spouse and minor child	-	-	-	-	-
11.	Mr. Nuttawut Phowborom	Director	-	-	-	-
	Spouse and minor child	-	-	-	-	-
12.	Mr. Yuthapong Ma	Director	-	-	-	-
	Spouse and minor child	-	-	-	-	-



Supervision of the Subsidiary and the Associated Company

In 2021 Asia Aviation has considered appointing 12 Directors and 3 Management to be Directors and Management in Thai AirAsia, a subsidiary and the company operating core business by appointing directors to be representatives in the subsidiary in proportion to the shares held by the Company. The said Directors and Management have been approved by the Board of Directors' Meeting while the persons appointed to be the Directors of the subsidiary have to operate for the utmost benefits of the subsidiary and manage the business of the subsidiary in accordance with the policies approved by the Company and the rules as well as regulations specified in the Article of Association of the Company and the related laws of the subsidiary.

Moreover, the Company set up the policies for its subsidiary to comply with the rules related to the regulatory agencies such as, doing related party transaction, acquisition and disposal of assets, information disclosure sufficiently and in timely manner including accounting and accurate financial reports as appropriate under the laws concerned and accounting standard acceptable in general and auditing by the Internal Control Unit to ensure that the specified internal control is sufficient and efficient.

While in the Board of Director Meeting, the Company shall regulate to have the report of the situation as well as problems and obstruction of the projects implemented by the subsidiary regularly by revealing the information of business operation which may have conflict of interest,

reports of related party transaction including the acquisition and disposal of assets and/or the significant transaction concerning the business operation of its subsidiary which may affect the Company to the Company completely and accurately and in timely manner in order that the Company's Board of Directors acknowledge it and can give the opinion or suggestion in time.

Monitoring the Compliance of Policies and Practices of Corporate Governance

Asia Aviation has placed importance on good corporate governance by setting up policies and practices concerned in the Company's Policy of Corporate Governance and Code of Conduct as well as developing and promoting the actual practice to create sustainable value and ensuring confidence to every group of stakeholders.

In the past year, the Company monitored to review such policy in order to improve modernisation and conforming to the environment of corporate governance of the company and its subsidiary. This includes monitoring the follow-up of good corporate governance covering

- 1) taking care of the employees and no discrimination.
- 2) safety, occupational health and working environment.
- 3) taking care of the environment, society, community where the follow-up found that the Company had complied with the guidance of each issue completely.

Additionally, the Company followed up to ensure the implement of good corporate governance in 4 more issues as follows:

Prevention of Conflict of Interest

The Company and its subsidiary set up policies for the Board of Directors, Management and employees to perform duties for the utmost benefits of the Company in case that any person is the stakeholder or concerned with the list of consideration, such person shall notify People Department which is responsible for such issue to acknowledge it and shall not participate in the consideration including having no power to approve that business transaction while in the past year round the results of following up the compliance with the policies of Prevention of Conflict of Interest are as follows:

1. There was none of any Director holding the position as the Director or Executive member of the same business or any business related with the Company or subsidiary which may cause conflict of interest.
2. The subsidiary received the report of interest from 32 employees while such employees have no business related to the Company and its subsidiary.

The Use of Inside Information

The Company and its subsidiary have taken care of using the inside information to comply with the law and Principles of Good Corporate Governance by specifying in writing in the Code of Conduct which will be conferred to the Directors, the Management and the employees as well as signing for acknowledgement and abiding by it to perform their duties. While the Directors, the Management and the employees who have an access of the essential inside information affecting the change in the price of securities should avoid trading the securities of Asia Aviation (AAV)



in one month period before the financial report or the inside information was disclosed to public and during 24 hours after the said inside information was accessible to the public. The persons concerning the inside information shall not reveal such information to the others until that information was notified to the Stock Exchange of Thailand.

In addition, Directors, Management and employees of Asia Aviation and its subsidiary shall not use any inside information they receive from their positions, that can affect price of stocks and has not been disclosed to the public, for trading, or offering to buy or sell, or persuade others to buy or sell, or to trade other stocks or securities (if any) of Asia Aviation directly or indirectly, which may cause any damage to Asia Aviation directly or indirectly, for their own interests or for others, nor shall they disclose the said information to others for compensations or nothing.

Disciplinary punishment shall be imposed on the offender, as prescribed in the staff regulations of Asia Aviation and its subsidiary. Punishment, appropriately determined on a case to case basis, includes verbal warning, written warning, probation, or dismissal.

Anti-Corruption Policy

The Company and its subsidiary set up policies and procedures for Anti-Corruption whereas the Board of Directors assigned the Audit Committee to supervise the internal control system and the Management whose duty is to build awareness and communicate with every employee to perform their duty in good faith. In the past year, the execution for Anti-Corruption and the action after detecting the corruption was summarised as follows:

The Execution for Anti-Corruption	The Action when the Corruption was found
<ol style="list-style-type: none"> 1. Every employee shall be trained and tested on the knowledge and understanding of the policies on Anti-Bribery and Anti-Corruption. 2. Sending email to communicate with the employees to know the risk which may cause corruption as well as preventive measures to protect it such as receiving no gifts on festivals, guidelines to use the ticket benefit for employees. 	In 2021, Thai AirAsia has inspected and did not find any corruption in organisations.

Whistleblowing

The stakeholders can inquire for information, complain, or report any unlawful violation, the inaccuracy of financial reports or internal control system, and the breach of business ethics of the Company and its subsidiary directly to the Independent Directors or the Audit Committee at taa_auditcommittee@airasia.com and thaiwhistleblower@airasia.com by having the Audit Committee who is independent from the Management to consider and the Internal Audit Unit to conduct screening of the whistleblowing and such claims.

Last year, there was one case of the whistleblowing and claim in total regarding legal offence as per the following details:

Issue	Result of Inspection	Action and Solution
A customer asked for assistance from the staff to arrange credit account by using the credit to book the air ticket for the third person and the Company was informed that the customer did not receive money, consequently the customer notified the Company through the whistleblowing in order to inspect further.	The staff was given a warning.	<p>People Department contacted the customer to request additional information and found that the staff and the customer know each other personally and has already paid the money to the customer while the customer did not wish to claim or wants the Company to take additional actions further.</p> <p>However the People Department had warned staff to be more carefully to get involve with the products or services of the Company personally which may affect the reputation of the Company.</p>



The Performance of the Audit Committee in 2021

Audit Committees' Meeting

The followings are the details of attendance of the Audit Committee's Meeting in 2021 of Asia Aviation:

Name	No. of Attendance/ Total Meeting
1. Mr. Vichate Tantiwanich	5/5
2. Mr. Nuttawut Phowborom	5/5
3. Mr. Veerayooth Bodharamik	5/5

The followings are the details of attendance of the Audit Committee's Meeting in 2021 of Thai AirAsia:

Name	No. of Attendance/ Total Meeting
1. Mr. Vichate Tantiwanich	5/5
2. Mr. Nuttawut Phowborom	5/5

Performance Result of the Audit Committee

The Audit Committee has performed their duties responsibly and completely as stipulated in the Audit Committee Charter approved by the Company's Board of Directors, as well as in accordance to the Notice of the Stock Exchange of Thailand as follows:

1. Reviewed the important information of the quarterly and annual financial statements for 2021 together with the auditors and the Management of Accounting and Finance Department by examining the important issues and received the explanation from the auditor and the Management of Accounting and Finance Department until it was assured that the financial statement was prepared in accordance with the legal regulations and standard of financial report and was correct, complete, reliable, thereby such financial statement was endorsed as the Auditor had reviewed and audited. Moreover, the Audit Committee had a meeting with the auditor without the Management in order to discuss independently concerning the receipt of information, examining the important information to prepare the financial statement and disclosure of information according to the standard of financial report and benefit to the user of the financial statement.
2. The Audit Committee reviewed the sufficiency of the internal control system by considering the internal control plan and report on internal auditing's result according to the approved plan which conformed to the result of the assessment of the auditor who reported that significant weakness were not found

and no special remarks concerning the financial report and internal control. This includes consideration of the result of assessment of the internal control system of the Management under the guiding framework of the Internal Control of The Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013) by using the internal control assessment checklist of the Securities and Exchange Commission Thailand before presenting it to the Board of Directors of the Company in order to assess the sufficiency of the internal control system of the Company for the accounting year 2021 and revealed the result of such the internal control system in Form 56-1 One Report whereas the Audit Committee gave the opinion that the internal control system of the Company was suitable and efficient enough for operating the business and current situation of the Company and its subsidiary while no essential issues affecting the achievement or targets of the Company were found.

3. The Audit Committee supervised the internal auditing work to ensure that implementation of internal auditing was independent and effective by giving approval and approved the audit plan for 2021 provided by the major risk of the Company. It also considered the sufficiency of the personnel and considered the result of auditing and followed up the performance and progress of corrective process in regard to the report on the result of the auditing of the major issues regularly in every quarter by holding a meeting especially with the chief of internal audit without the Management participating in one meeting. This also supported the quality development of internal audit by encouraging the personnel in the Internal



Audit Department to undergo training in various courses to increase knowledge and skill to perform the duty with better efficiency.

4. The Audit Committee has reviewed the Risk Management System of Thai AirAsia to ensure that the Company has the process of assessment and risk management which is proper and efficient whereas the Company has Risk Management Committee to deal with setting policies and targets of Risk Management in the whole organisation, providing the efficient risk management system and followed up the major risk management in every aspect of the Company at the acceptable level while the representative of Risk Management Unit presented report of the progress to the Audit Committee on the risk management as to whether it complies with the policy and plan specified once a year.
5. The Audit Committee supervised the disclosure of sufficient and correct information including supporting the Company to have good governance system, good management to be transparent and ethical, building up confidence to the shareholders, investors, employees and every stakeholder concerned.
6. Reviewed the Charter of the Audit Committee to ensure that the performance of the Audit Committee is efficient and updated.
7. Reviewed and gave opinion to the related party transactions or the transactions which may have conflict of interest. The Audit Committee has reviewed the related party transactions to comply with the rules and regulations of the Stock Exchange of Thailand on the disclosure of information and practice of the listed Company regarding the related party transactions in 2003. The Audit Committee had an opinion that

the related party transactions were operated in conformity with the general commercial conditions without conflict of interest, being justifiable, reasonable and complying with the regulation completely specified by the Stock Exchange of Thailand while the unusual transaction was not found and the disclosure of information was complete and sufficient.

8. Considered the appointment and remuneration of the auditors based on the business knowledge, experiences, appropriateness of the remuneration and the independence of the auditors. In the accounting year-end of December 31, 2021, the Audit Committee recruited and nominated Mrs. Kunlapee Piyawannasuth C.P.A. Registration No. 6137, 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 to be the external auditors of the Company and the subsidiary while in the past accounting year, the auditors had performed their work with knowledge and professional abilities and provided suggestions concerning the internal control system and various risks as well as independence of working performance for which the remuneration proposed is appropriate.
9. The Audit Committee has reviewed and supervised the Company and its subsidiary to comply with the regulations, policies and business operation which was in conformity with the Securities and Exchange Act as specified by the Stock Exchange of Thailand and the Securities and Exchange Commission as well as laws concerning with business operation of the Company, and did not find any indication to believe that there was any deficiency concerning the non-conformity and/or violation of the rules, regulations and related laws.

The summary of overall in 2021, the Audit Committee has performed the duties specified in the Charter of the Audit Committee by following up the performance of the Company with sufficient independence and gave the opinion that the Company provided financial report in the major issues accurately by providing it in accordance with the standard of accounting generally accepted, disclosing information sufficiently, completely, and reliably. And when entering into the related party transactions or other particulars which may cause conflict of interest, the Company supervised the said transaction with transparency for the utmost benefit for the Company and the shareholders, abiding by the law, and regulations of the Stock Exchange of Thailand strictly and complying with the laws, rules and regulations concerning business operation completely. The Company also provided the internal control system, internal audit and risk management sufficiently and properly and operation in conformity with the good corporate governance system sufficiently, transparently and reliably.

Performance Result of Other Sub-Committees

Asia Aviation and the subsidiary have 4 sub-committees to follow up and supervise the operations and report to the Board of Directors regularly, comprising the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee and Corporate Governance and Sustainability Committee. The complete performances of duty by each sub-committees can be summarised as follows:

**Risk Management Committee**

The Risk Management Committee of Thai AirAsia held meetings twice a year, in June and January while the Risk Management Department shall report the result of Risk Management and seek for consideration and approval for the matter concerning the Risk Management of the organisation from the Risk Management Committee whereas the performance of the Risk Management Committee in the past year is of following details:

June 2021

- Acknowledged and review details of the existing main risk of the organisation ending in the first quarter of 2021 whereas the Risk Management Committee has given suggestion and propose additional means to manage the risk to the Risk Management Department.
- Acknowledged the consistency of Business Management Plan for 2021.
- Acknowledged the plan to handle the serious pandemic situation and the mutation respectively.

January 2022

- Acknowledged result of the training on the Awareness of the Risk Management of the employees in every level of Thai AirAsia which was arranged by Risk Management Department.
- Reviewed the strategy of Risk Management for 2022.
- Approved the details of the risk of the organisation for disclosing in the Annual Report 2021.

Risk Management Committee

- Acknowledged and reviewed details of the existing main risk of the organisation ending in the fourth quarter of 2021 whereas the Risk Management Committee has given suggestion and propose additional means to manage the risk to the Risk Management Department.
- Propose the Key Risk Indicator (KRI) to know how the risk happens.
- Acknowledged the Consistency Management of the Business Plan for 2022.

Nomination and Remuneration Committee

In the past year, the Nomination and Remuneration Committee of the Company and its subsidiary held 3 meetings in total respectively to consider and provide the opinion of the suitability in nominating and appointing Directors and Senior Management including determining the remuneration for the Company's Board of Directors and sub-committees with the following details:

- Considered giving opinion on the appointment of Directors to replace the Directors duly retired by rotation in the year 2021.
- Considered giving opinion on the remuneration of Directors and sub-committees for the year 2021.
- Considered giving opinion on the assessment of the performances of the Company's Directors, sub-committees and Chief Executive Officer in the year 2021.
- Considered and approved the increasing of numbers of Directors and appointed new Directors.
- Considered and approved the appointment of the Head of Government Relations.

Corporate Governance and Sustainability Committee

In the past year, Corporate Governance and Sustainability Committee held 1 meeting in total to consider and review the policies and targets of the operation of sustainable development including specifying the Key Materiality which affected the business operation of the Company to take care of the stakeholders properly as well as following up and examining the operation according to the policies and strategies of sustainable development to comply with the targets of the operation set forth whereas the performance of Corporate Governance and Sustainability Committee in the last year with the following details.

- Considered and reviewed the policies and strategies on sustainability.
- Considered and approved the Key Materiality.
- Considered giving opinion on disclosing the report of sustainability and corporate governance in the Form 56-1 One Report
- Followed up the performances of the Key Materiality and the society investment activities.
- Reported the performance of the sustainability development to the Board of Directors Meeting.



INTERNAL CONTROL AND RELATED PARTY TRANSACTIONS

Internal Control and Internal Audit

Sufficiency and Suitability of the Internal Control System

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 and its subsidiary have stipulated levels of authority and responsibilities of 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.

The Opinion of the Company's Board of Directors concerning Internal Control System


In the Board of Directors' Meeting No.1/2021 on February, 23 2022 during which the 3 members of the Audit Committee attended the Meeting, the Company's Board of Directors assessed the Internal Control System of the Company and subsidiary by questioning the information from the Head of Internal Audit Unit and approval of the Assessment Form prepared by the Internal Audit Unit, together with the Management including the report from the Audit Committee and summarised that with the assessment of the Internal Control System of the Company and its subsidiary in 5 compositions namely: Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities, the Board of Directors considered that the Internal Control System of the Company and its subsidiary is sufficient and appropriate whereby the Company and subsidiary provided enough personnel to perform the duty according to the system efficiently including the Internal Control System of the Company

and subsidiary with following-up the supervision of the subsidiary to be able to protect the properties of the Company and its Subsidiary from being misused by the Directors or Management or without authorisation including entering into the transactions with persons who may cause the conflict and the related persons properly and sufficiently. For the Internal Control in other issues, the Company's Board of Directors considered that it is also sufficient and the Audit Committee has no different opinion from the Company's Board of Directors.

In addition, the performance of the Internal Audit Unit in 2021 over the auditing of various internal departments of the Company, no significant weakness was found in the Internal Control System which affects the operation of the Company and the subsidiary as well as the Auditor of the Company. The auditor of EY Office Limited, who is the External Auditor of the quarterly Company's Financial Statement and in the year 2021 did not report that any significant weakness was found.

Head of Internal Control

The Company has appointed Miss Duangporn Tantiwiwat to be in the position of Internal Audit Manager since July 15, 2011 because she has got experiences in Auditing work and Internal Control for over 17 years and understands the activities and the business operation of the Company and subsidiary as well as attending the courses concerning the operation in internal audit such as Training of CQI and IRCA Certified ISO 9001:2015 Lead Auditor Training Course (PR328) etc. Therefore, the Audit Committee found that Miss Duangporn Tantiwiwat is suitable for performing the duties in the position of Head of Internal Audit sufficiently whereas the consideration, appointment, removal and transfer of the person holding the position as Head of Internal Audit shall seek approval from the Audit Committee.

The Company disclosed the qualification of the person holding the position as Internal Audit Manager as the attachment to this report which appears on the Company's website: www.aavplc.com under the title "Investor Relations" and sub-title "Publications and Download". 



RELATED PARTY TRANSACTIONS

In the years ended 31 December 2021 and 2020, AAV and TAA have engaged certain transactions with persons who may have conflicts of interest as follows:

Person who may have conflicts of interest	Relationship
1) AirAsia Berhad (“AAB”)	AAB is a direct subsidiary of Capital A which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (AAAGL) (formerly known as AirAsia Investment Ltd)
2) PT Indonesia AirAsia (“IAA”)	IAA is an associate of Capital A in which Capital A holds indirect 49.15% equity interest and operates low cost airlines business in Indonesia.
3) AirAsia (India) Limited (“AAI”)	AAI is an affiliate of Capital A in which Capital A holds indirect 16% equity interest and operates low cost airlines business in India.
4) Philippines AirAsia, Inc. (“PAAI”)	PAAI is an associate of Capital A in which Capital A holds indirect 39.86% equity interest and operates low cost airlines business in Philippines.
5) AirAsia Japan Co., Ltd. (“AAJ”)	AAJ is an associate of Capital A in which Capital A holds indirect 33% equity interest and operates low cost airlines business in Japan.
6) AirAsia (Guangzhou) Aviation Service Limited (“AGZ”)	AGZ is a direct subsidiary of Capital A which Capital A holds 100% equity interest and Capital A is also the indirect major shareholder in TAA through AirAsia Aviation Group Limited (AAAGL) (formerly known as AirAsia Investment Ltd)
7) AirAsia X Berhad (“AAX”)	AAX is an affiliate of Capital A in which Capital A holds direct 13.8% equity interest. Anthony Francis Fernandes and Datuk Kamarudin Bin Meranun being the indirect major shareholders of both TAA and AAX.
8) Thai AirAsia X (“TAAX”)	TAAX has three directors who are also directors in TAA; Mr. Tassapon Bijleveld, Mr. Phairat Pornpathananangoon and Mrs. Pattra Boosarawongse. Mr. Tassapon Bijleveld is the indirect shareholder in TAAX which holds 49.56%
9) 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.
10) Tune Insurance Malaysia Berhad (“TIMB”)	Tune Protect Group Berhad has a director who is also a director in TAA; Dato’ Mohamed Khadar Bin Merican. TIMB is a subsidiary of Tune Protect Group Berhad in which Tune Protect Group Berhad holds direct 83.3% equity interest. Anthony Francis Fernandes and Datuk Kamarudin Bin Meranun being the indirect major shareholder of both TAA and TIMB.
11) Tune Talk Sdn Bhd (“TTSB”)	Tune Group Sdn. Bhd. has director who is also director in TAA; Dato’ Mohamed Khadar Bin Merican. Tune Group Sdn. Bhd. is major shareholder in TTSB.
12) Tune Talk (Thailand) Limited (“TTTH”)	Tune Group Sdn. Bhd. has a director who is also a director in TAA; Dato’ Mohamed Khadar Bin Merican. Tune Group Sdn. Bhd. is an indirect shareholder in Tune Talk (Thailand) Limited through Tune Talk International Sdn. Bhd. (Malaysia) which holds 48% equity interest in Tune Talk (Thailand) Limited.
13) Great Fortune Broker Co., Ltd. (“GFB”)	GFB is broker for Tune Insurance Plc.



Person who may have conflicts of interest	Relationship
14) AirAsia SEA Limited (formerly known as AirAsia (IHQ) Limited) (“IHQ”)	IHQ is a direct subsidiary of Capital A in which Capital A holds 100% equity interest. Capital A is also the indirect major shareholder in TAA. IHQ has three directors who are also directors in TAA; Mr. Tassapon Bijleveld, Mr. Rozman Bin Omar and Mrs. Pattra Boosarawongse.
15) BIGLIFE Sdn Bhd (formerly known as Big Loyalty Sdn Bhd) (“BIG”)	BIG is an indirect subsidiary of Capital A which Capital A holds 96.19% equity interest.
16) AirAsia (Mauritius) Limited (“AAM”)	AAM is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest.
17) Bangkok Aviation Center Plc. (“BAC”)	BAC is the Company which Mr. Tassapon Bijleveld who is director and Executive Chairman of TAA hold 50% of BAC’s shares.
18) Airasia SEA Sdn Bhd (formerly known as AirAsia Global Shared Services Sdn Bhd) (“AASEA”)	AASEA is an indirect subsidiary of Capital A in which Capital A holds indirect 100% equity interest.
19) Wealth Ventures Co., Ltd. (“Wealth Ventures”)	Wealth Ventures is the Company which major shareholder (34.59% of Wealth Ventures’ shares) is Mr. Tassapon Bijleveld who is director and Executive Chairman of TAA.
20) Tune Insurance Plc. (“TIPLC”)	TIPLC has director who is also director in TAA ; Mr. Tassapon Bijleveld which hold 11.43% equity interest in TIPLC
21) AirAsia Com Travel Sdn Bhd (“ACT”)	ACT is an indirect subsidiary of Capital A which Capital A holds 96.19% equity interest.
22) AirAsia Com Travel (Thailand) Ltd. (“AACOMTH”)	AACOMTH is an indirect subsidiary of Capital A which Capital A holds 96.19% equity interest.
23) AirAsia SuperApp Sdn Bhd (formerly known as AirAsia Ads Sdn Bhd) (“ADS”)	ADS is an indirect subsidiary of Capital A which Capital A holds 96.19% equity interest.
24) Teleport Everywhere Pte. Ltd. (“TEL”)	TEL is an indirect subsidiary of Capital A in which Capital A holds 92.66% equity interest.
25) Teleport Everywhere Pte. Ltd. (“TEL (TH Branch)”)	TEL is an indirect subsidiary of Capital A in which Capital A holds 92.66% equity interest.
26) Teleport (Thailand) Co., Ltd. (“TELTH”)	TELTH is an associate of Capital A in which Capital A holds indirect 45.40% equity interest.
27) Capital A Berhad (“Capital A”)	Capital A is the indirect major shareholder in TAA through AirAsia Aviation Group Limited (AAAGL) (formerly known as AirAsia Investment Ltd)
28) Santan Restaurant Sdn Bhd (“STR”)	STR is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest.
29) Asia Aviation Capital Pte. Ltd. (“AAC”)	AAC is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest.
30) Velox Technology (Thailand) Co., Ltd. (“Velox”)	Velox is an indirect subsidiary of Capital A in which Capital A holds 96.19% equity interest.
31) Teleport Commerce Malaysia Sdn Bhd (“TELMY”)	TELMY is an indirect subsidiary of Capital A in which Capital A holds 92.66% equity interest.
32) Asia Digital Engineering Sdn Bhd (“ADE”)	ADE is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest.
33) Airasia Technology Centre Singapore Pte. Ltd. (“ATS”)	ATS is an indirect subsidiary of Capital A in which Capital A holds 100% equity interest.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales	
		2021	2020		
1. Passenger revenue received on behalf of members within Capital A					
(1) AAB	Passenger revenue received on behalf of members within Capital A is only occurred when payment is made in foreign currency through the bank's payment gateway which includes internet purchase and counter sales.			TAA shares ticket reservation and booking system within Capital A in order to provide customers with convenience in booking ticket across the 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 Capital A when payment is made in foreign currency.	
(2) IAA					
(3) AAI					
(4) AAX					
(5) TAAX					
(6) PAAI		1.1 Revenue that AAB received on behalf of TAA	489,432,407		1,695,724,379
(7) IAAX		Receivable from receipts on behalf - AAB	432,105,534		336,569,792
(8) AAJ		1.2 Revenue that IAA received on behalf of TAA	21,157,818		94,588,290
(9) AACOM		Receivable from receipts on behalf - IAA	53,468,697		41,555,025
	1.3 Revenue that AAI received on behalf of TAA	-	9,530,828	Pricing: Reimbursed on actual receipts on behalf of.	
	Receivable from receipts on behalf - AAI	66,723,621	60,759,361	Payment term: within 30 days	
	1.4 Revenue that AAX received on behalf of TAA	22,046,435	144,497,946	Transaction in the future: Passenger revenue received on behalf will be an ongoing transaction in the future as it is a normal course of business with general commercial term under the approval in principle by Board of Directors and Audit Committee.	
	Receivable from receipts on behalf - AAX	-	-		
	1.5 Revenue that TAAX received on behalf of TAA	101,506,019	325,124,378		
	Receivable from receipts on behalf - TAAX	193,010,599	279,541,825		
	1.6 Revenue that PAAI received on behalf of TAA	10,278,684	202,273,466		
	Receivable from receipts on behalf - PAAI	67,893,485	79,156,933		
	1.7 Revenue that IAAX received on behalf of TAA	2,470	7,853		
	Receivable from receipts on behalf - IAAX	948,959	869,479		
	1.8 Revenue that AAJ received on behalf of TAA	1,654,603	4,876,249		
	Receivable from receipts on behalf - AAJ	2,218,370	510,474		



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
1.9	Revenue that AACOM received on behalf of TAA	58,294,018	20,072,400	
	Receivable from receipts on behalf - AACOM	-	7,696,663	
1.10	Revenue that TAA received on behalf of AAB	17,972,231	732,277,870	
	Payable from receipts on behalf - AAB	16,998,035	293,529,433	
1.11	Revenue that TAA received on behalf of IAA	2,182,636	115,223,050	
	Payable from receipts on behalf - IAA	342,261	229,497	
1.12	Revenue that TAA received on behalf of AAX	237,451	262,210,252	
	Payable from receipts on behalf - AAX	-	139,027	
1.13	Revenue that TAA received on behalf of TAAX	487,450	223,819,155	
	Payable from receipts on behalf - TAAX	83,323	399,448	
1.14	Revenue that TAA received on behalf of PAAI	16,730,033	157,762,947	
	Payable from receipts on behalf - PAAI	3,186,522	4,941,526	
1.15	Revenue that TAA received on behalf of AAI	230,118	17,535,219	
	Payable from receipts on behalf - AAI	31,610,900	28,406,591	
1.16	Revenue that TAA received on behalf of IAAX	-	53,832	
	Payable from receipts on behalf - IAAX	-	20,876	
1.17	Revenue that TAA received on behalf of AAJ	31,372	7,813,449	
	Payable from receipts on behalf - AAJ	6,719,632	7,404,833	
1.18	Revenue that TAA received on behalf of AACOM	12,540,507	22,321,357	
	Payable from receipts on behalf - AACOM	2,315,359	21,346,089	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales	
		2021	2020		
2. Advance payment on behalf of members within Capital A					
(1) AAB	Advance payment on behalf within Capital A includes airport charges of airport terminal, ramp and apron areas, passenger service charges, air navigation charges, check-in counters, aerobridge, customs, immigrations and quarantine as well as marketing expenses, training expenses and ICT expenses.	2.1 TAA makes advance payment on behalf of AAB	127,345,884	185,173,646	To enhance operational efficiency and management on services which can be shared within Capital A, the advance payment will be made by the party who initiated the route and entered into contract with that particular airport, as well as for marketing and promotional expenses in relation to common routes, training and ICT expenses. The party who entered into contract with the third party will make advance payment on behalf of the Group before making reimbursement based on actual expense.
(2) IAA					
(3) AAX					
(4) TAAX					
(5) PAAI					
(6) AAI	2.2 TAA makes advance payment on behalf of IAA	5,602,447	6,871,755	Reimbursement based on actual advance payment or in portion according to the agreed allocation.	
(7) IAAX					
(8) AAJ	2.3 TAA makes advance payment on behalf of AAX	428,468	59,898,005	Payment term: within 30 days	
(9) TIMB					
(10) TTSB	2.4 TAA makes advance payment on behalf of TAAX	92,254,097	254,775,091	Transaction in the future:	
(11) GFB					
(12) IHQ	2.5 TAA makes advance payment on behalf of PAAI	6,186,449	25,910,939	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.	
(13) AGZ					
(14) BIG	2.6 TAA makes advance payment on behalf of AAI	688,039	1,242,860		
(15) AACOM					
(16) AACOMTH	2.7 TAA makes advance payment on behalf of IAAX	-	38,286		
(17) AASEA					
(18) TELTH	2.8 TAA makes advance payment on behalf of AAJ	-	320,385		
(19) Capital A					
(20) TEL	Receivable on advance payment - AAJ	320,551	287,968		
(21) STR					
(22) TIPLC					
(23) AAC					
(24) TEL (TH branch)					
(25) Velox					
(26) TELMY					
(27) ADE					
(28) AACE					



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
2.9 TAA makes advance payment on behalf of TIMB		61,164	61,164	
	Receivable on advance payment - TIMB	116,944	1,392,170	
2.10 TAA makes advance payment on behalf of TTSB		1,682,988	1,682,988	
	Receivable on advance payment - TTSB	-	280,498	
2.11 TAA makes advance payment on behalf of GFB		-	-	
	Receivable on advance payment - GFB	48,209	685,513	
2.12 TAA makes advance payment on behalf of IHQ		19,507,854	25,430	
	Receivable on advance payment - IHQ	19,665,848	-	
2.13 TAA makes advance payment on behalf of AGZ		1,139,296	624,220	
	Receivable on advance payment - AGZ	1,419,844	475,068	
2.14 TAA makes advance payment on behalf of BIG		-	274,541	
	Receivable on advance payment - BIG	-	24,958	
2.15 TAA makes advance payment on behalf of Capital A		792	6,704	
	Receivable on advance payment - Capital A	-	183,573	
2.16 TAA makes advance payment on behalf of TIPLC		541,399	3,643,769	
	Receivable on advance payment - TIPLC	3,081,634	2,540,234	
2.17 TAA makes advance payment on behalf of AACOM		34,991,548	5,404,929	
	Receivable on advance payment - AACOM	5,657,798	5,384,361	
2.18 TAA makes advance payment on behalf of AACOMTH		17,988,491	222,387	
	Receivable on advance payment - AACOMTH	15,101,438	222,387	
2.19 TAA makes advance payment on behalf of AAC		1,025	-	
	Receivable on advance payment - AAC	10,083	9,058	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
2.20 TAA makes advance payment on behalf of TELTH		154,230	-	
	Receivable on advance payment - TELTH	3,531,193	-	
2.21 TAA makes advance payment on behalf of TEL		10,569,536	-	
	Receivable on advance payment - TEL	1,225,995	-	
2.22 TAA makes advance payment on behalf of TEL (TH branch)		1,827,953	-	
	Receivable on advance payment - TEL (TH branch)	380,829	-	
2.23 TAA makes advance payment on behalf of AASEA		2,452,485	-	
	Receivable on advance payment - AASEA	2,452,485	-	
2.24 TAA makes advance payment on behalf of STR		534,408	-	
	Receivable on advance payment - STR	532,033	-	
2.25 TAA makes advance payment on behalf of Velox		905,763	-	
	Receivable on advance payment - Velox	905,763	-	
2.26 TAA makes advance payment on behalf of TELMY		1,784	-	
	Receivable on advance payment - TELMY	1,784	-	
2.27 AAB makes advance payment on behalf of TAA		229,278,957	420,873,792	
	Payable on advance payment - AAB	324,437,505	230,405,951	
2.28 IAA makes advance payment on behalf of TAA		1,137,323	10,007,960	
	Payable on advance payment - IAA	7,324	-	
2.29 AAI makes advance payment on behalf of TAA		-	2,551,926	
	Payable on advance payment - AAI	6,458,293	5,239,670	
2.30 AAX makes advance payment on behalf of TAA		1,500,656	7,898,833	
	Payable on advance payment - AAX	-	721,913	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
2.31 TAA makes advance payment on behalf of TAA		7,177,555	4,752,631	
	Payable on advance payment - TAA	300,000	1,540,129	
2.32 PAAI makes advance payment on behalf of TAA		930,804	815,992	
	Payable on advance payment - PAAI	19,224	145,579	
2.33 AAJ makes advance payment on behalf of TAA		18,840	253,726	
	Payable on advance payment - AAJ	572,312	514,624	
2.34 AGZ makes advance payment on behalf of TAA		-	4,419	
	Payable on advance payment - AGZ	-	-	
2.35 ACT makes advance payment on behalf of TAA		6,510,011	6,833,539	
	Payable on advance payment - AACOM	1,897,034	6,976,286	
2.36 AACE makes advance payment on behalf of TAA		168,113	-	
	Payable on advance payment - AACE	1,667,820	-	
2.37 AASEA makes advance payment on behalf of TAA		29,721,823	-	
	Payable on advance payment - AASEA	28,236,003	-	
2.38 Capital A makes advance payment on behalf of TAA		79,326,979	-	
	Payable on advance payment - Capital A	82,494,934	-	
2.39 TELTH makes advance payment on behalf of TAA		9,586,442	-	
	Payable on advance payment - TELTH	3,708,479	-	
2.40 TEL makes advance payment on behalf of TAA		638,128	-	
	Payable on advance payment - TEL	-	-	
2.41 TEL (TH branch) makes advance payment on behalf of TAA		7,621,403	-	
	Payable on advance payment - TEL (TH branch)	7,978	-	
2.42 ADE makes advance payment on behalf of TAA		5,916	-	
	Payable on advance payment - ADE	5,916	-	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
3. Interest income and interest expenses within Capital A				
(1) AirAsia (India) Limited (AAI)	Interest income and interest expense within Capital A is calculated upon the late payment of the net outstanding receivables/payables for more than 30 days from invoice date.			TAA and companies within Capital A 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.
	3.1 Interest income: TAA receives interest income from related parties on the delay of payment.			Interest rate: Interest rate within Capital A is applied, equivalent to AAB's financial cost at 6% per annum in 2019 and 2020.
	3.1.1 Interest income - AAI	-	-	Payment term: within 30 days
	Outstanding net receivable - AAI	-	-	
	Interest income receivable - AAI	448,449	402,865	Transaction in the future: Transaction will be ongoing in the future as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
4. Aircraft and aircraft engine rental				
(1) AAM	TAA leases its aircraft and aircraft engine (operating lease) from AAM of 13 aircrafts as of 31 December 2021.			TAA has leased its aircraft and aircraft engine from AAM for business operation. Capital A has a pooling purchase for higher bargaining power with manufacture.
	4.1 Aircraft and aircraft engine rental - AAM	588,650,210	1,674,310,587	Lease rate:
	Aircraft and aircraft engine rental payable - AAM	1,267,593,983	944,136,032	Lease rate is quoted in US Dollar term for a monthly payment with contract period of 12 years and comparable to industry average rate.
	Other non-current asset - Aircraft and aircraft engine rental deposit	249,038,754	215,776,921	Payment term: within 30 days



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
				<p>Transaction in the future:</p> <p>Aircraft and aircraft engine rental will be an ongoing transaction until the expiration of lease agreement on each aircraft as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee. In addition, TAA will continue the pooling purchase order together with Capital A.</p>
5. Aircraft maintenance				
(1) AAM	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) AAB				
	5.1 Aircraft maintenance - AAM	188,931,133	332,961,564	Maintenance rate: Maintenance rate is quoted per flight hour / cycle in USD term for a monthly payment and comparable to industry average rate
	Aircraft maintenance payable - AAM	93,665,147	214,664,068	
	Aircraft maintenance claim receivable - AAM	669,800,552	481,994,547	
	5.2 Aircraft maintenance - AAB	182,610,958	824,115,153	Payment term: within 30 days
	Aircraft maintenance payable - AAB	79,351,397	695,784,155	
	Aircraft maintenance reserves - AAB	4,958,623,692	5,856,109,798	
				<p>Transaction in the future:</p> <p>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.</p>



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
6. Booking fee				
(1) AAB	TAA pays online air ticket booking system fee (booking fee) to AAB.			TAA shares the same booking system with others in Capital A. AAB has entered into a contract, on behalf of the 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.
	6.1 Booking fee - AAB	-	127,038,148	
	Booking fee payable - AAB	12,605,706	93,698,420	<p>Booking fee rate: Booking fee is charged at a fixed rate per passenger on a monthly basis; the rate shall not exceed the amount specified in the contract.</p> <p>Payment term: within 30 days</p> <p>Transaction in the future: Booking fee will be Included in online sales channels services provided by AACOM</p>
7. Purchase of merchandise and equipment				
(1) AAB	TAA purchases merchandise and equipment from AAB such as aircraft spare parts and certain inflight merchandise for selling on board.			TAA purchases merchandise and equipment from AAB such as aircraft spare parts and certain inflight merchandise for selling on board. Having centralized the product sourcing, AAB will accumulate all demand from Capital A before making a pooling purchase for higher bargaining power with suppliers.
	7.1 Purchase of merchandise and equipment - AAB	324,459	7,709,936	
	Purchase payable - AAB	381,981	3,516,838	<p>Pricing: Comparable pricing with the one AAB made with outsiders</p>



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
				<p>Payment term: within 30 days</p> <p>Transaction in the future: Purchase from the Group will be an ongoing transaction as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>
8. Administrative fee				
(1) AAB	TAA pays administrative fee to AAB			<p>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.</p> <p>Pricing: Fix rate of USD 40,000 per month as agreed in the administrative agreement</p> <p>Payment term: within 30 days</p> <p>Transaction in the future: Administrative fee will be Included in online sales channels services provided by AACOM</p>
	8.1 Administrative fee - AAB	-	15,140,060	
	Administrative fee payable - AAB	-	10,874,448	
9. (Gain) loss from fuel swap agreement allocation				
(1) AAB	TAA has the share of (gain) loss from fuel price swap agreements done through AAB as specified in the fuel swap agreement.			In protecting the risks on fluctuation of fuel price, TAA has entered into the fuel price swap agreement through AAB for better bargaining power. The decision making is dependent on TAA's judgment.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
9.1	Share of (gain) loss from fuel price swap agreements - AAB	55,015,576	2,501,234,650	<p>(Gain) loss allocation: (Gain) loss from fuel price swap agreement will be allocated on a monthly basis by the estimated amount of fuel used by each company.</p> <p>Payment term: within 30 days</p> <p>Transaction in the future: (Gain) loss from fuel swap agreement allocation will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</p>
	Payable (Receivable) on share of (gain) loss from fuel price swap agreements - AAB	-	1,084,050,763	
	Other non-current assets - deposits on fuel price swap	16,623,450	14,933,700	
10. Pilot training cost				
(1) BAC	TAA pays pilot training cost to BAC			TAA and BAC mutually signed an MOU for cooperation in commercial pilot training.
	10.1 Pilot training cost - BAC	487,850	804,206	
	Pilot training cost payable - BAC	-	-	<p>Pricing: At agreement price of different types of the training</p> <p>Payment term: within 30 days</p> <p>Transaction in the future: 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.</p>



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
11. Brand license fee				
(1) AAB	TAA pays Brand license fee to AAB			Since January 2013, TAA will pay AAB for using the brand. "AirAsia".
	11.1 Expense for brand license - AAB	-	224,930,055	Pricing:
	Payable on brand license fee - AAB	-	212,679,675	At 1.5% of total revenue. The rate is comparable to the rate that AAB charge to other joint venture within Capital A.
				Payment term: within 30 days
				Transaction in the future:
				Brand license fee will be included in management fee from Capital A
12. Revenue from administrative fee from Insurance premium				
(1) TIMB	TAA receives administrative fee from Insurance Premium			TAA receives administrative fee from Insurance Premium which is
(2) GFB	which is received from passenger in AirAsia Insure project.			received from passenger in AirAsia Insure project
	12.1 Revenue from administrative from insurance premium - TIMB			Pricing:
	Insurance Premium	1,808	2,208,849	Insurance Premium paid to TIMB and GFB are based on actual receipts. Administrative fee as agreed in the administrative agreement
	Administrative fee	452	552,212	can comparable to market price.
	Payable (Receivable) on Insurance Premium	856	-	Payment term: within 30 days
	12.2 Revenue from administrative from insurance premium - GFB			Transaction in the future:
	Insurance Premium	59,553,263	118,956,824	Administrative fee will be an ongoing transaction as it is a supporting
	Administrative fee	9,920,638	19,851,306	normal course of business with general commercial term under
	Payable on Insurance Premium	32,240,055	775,681	approval in principle from Board of Directors and Audit Committee.
	Receivable on Administrative fee	-	-	



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
13. Management fee				
(1) AAV (2) Capital A	TAA pays management fee to AAV and Capital A for consultant and management policy			TAA pays management fee to AAV and Capital A for consultant and management policy which are related to operating company.
	13.1 Management fee - AAV	25,000,000	25,000,000	Pricing:
	Payable on management fee - AAV	20,441,624	-	- Management fee at 6,250,000 Baht per quarter and Actual cost as agreed in the administrative agreement
	13.2 Management fee - Capital A	76,729,171	-	
	Payable on management fee - Capital A	80,622,960	-	- Payment term: within 30 days
				Transaction in the future: Management fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
14. Accounting, people, ICT service fee				
(1) AASEA (2) AAB (3) IHQ	AASEA provides service for people, accounting, and ICT services for Capital A. AAB provides service for ICT services for AirAsia Group since June 2017			AASEA provides service for people, accounting, and ICT services which AAB provide ICT services since June 2017 for Capital A. AASEA and AAB will calculate services fee by staff headcount.
	14.1 Accounting, People, ICT service fee - AASEA	-	37,439,081	Pricing:
	Payable on Accounting, People, ICT service fee - AASEA	-	6,102,043	Invoices will be issued to Capital A by calculating from staff headcount as agreed in the administrative agreement plus margin as specified in the service agreement.
	14.2 ICT service fee - AAB	301,376	3,199,819	Payment term: within 30 days
	Payable on ICT service fee - AAB	115,295	2,006,847	Transaction in the future:
	14.3 Share of staff costs - IHQ	396,680,002	-	Accounting, People, ICT service fee will be an ongoing transaction as
	Payable from Share of staff costs - IHQ	255,405,560	-	- it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
15. Loyalty program service fee				
(1) BIG	BIG arranges Big Loyalty program for return benefit to customer in Capital A, by issuing big point. Customer can redeem point for flight ticket and other service in Capital A.			BIG arranges Big Loyalty program for return benefit to customer in Capital A, by issuing big point. Customer can redeem point for flight ticket and other service in Capital A.
	15.1 Loyalty program service fee - BIG	9,766,684	54,893,500	Pricing:
	Payable on Loyalty program service fee - BIG	9,794,274	11,138,875	Loyalty program service fee as agreed in the administrative agreement
	15.2 Passenger Revenue - BIG	26,304,437	76,218,222	Payment term: within 30 days
	Receivable on Passenger Revenue - BIG	27,558,060	25,532,376	Transaction in the future: Loyalty program service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
16. Purchase of merchandise				
(1) TTTH	TAA purchases merchandise such as sim card for selling on board.			TAA purchases merchandise such as sim card for selling on board from TTTH.
	16.1 Purchase of merchandise - TTTH	-	450,160	Pricing:
	Purchase payable - TTTH	-	-	Purchases merchandise price as agreed in the administrative agreement
				Payment term: within 30 days
				Transaction in the future: Purchase of merchandise from this company will be an ongoing transaction as it is a supporting normal course of business with general commercial term.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
17. Security service				
(1) AAI	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 AAI 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.
	17.1 Security service - AAI	171,729	3,281,889	Pricing: Security service fee as agreed in the administrative agreement
	Payable on security service - AAI	33,132,051	30,858,772	Payment term: within 30 days Transaction in the future: 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.
18. Expenses for room services and meeting room services				
(1) Wealth Ventures	TAA uses accommodation and meeting room at Hotel Mercure Bangkok Makkasan.			TAA uses accommodation and meeting room at Hotel Mercure Bangkok Makkasan which convenience and sufficient meeting rooms.
	18.1 Expenses for room services and meeting room services - Wealth ventures	45,087	655,780	Pricing: Room service fee as agreed in the administrative agreement
	Payable - Wealth ventures	639,257	579,014	Payment term: within 30 days Transaction in the future: Expenses for room services and meeting room services will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
19. Marketing fund expenses				
(1) AGZ	AGZ provides marketing service for China market to TAA.			AGZ provides marketing service for China market to TAA.
	19.1 Expense for Marketing fund - AGZ	-	79,376,912	Pricing:
	Payable on marketing fund - AGZ	-	14,282,575	Marketing fund fee as agreed in the administrative agreement which will quarterly correct in advance.
				Payment term: within 30 days
				Transaction in the future:
				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.
20. Ground service expenses				
(1) AAX	TAA receives ground service from companies under Capital A.			TAA enters into Ground service agreement with companies under Capital A.
(2) AGZ				
(3) AAI	20.1 Expense for Ground service - AAX	-	2,158,337	Pricing:
	Payable on Ground service - AAX	-	-	Ground service fee as agreed in the administrative agreement.
	20.2 Expense for Ground service - AGZ	71,306,293	3,570,627	
	Payable on Ground service - AGZ	46,777,815	10,288,275	Payment term: within 30 days
	20.3 Expense for Ground service - AAI	1,476,099	5,723,092	Transaction in the future:
	Payable on Ground service - AAI	13,898,405	11,477,608	Expenses for ground service will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
21. Other services				
(1) TAAX	TAA provides service for inflight warehouse management, ICT, People management, and other services to TAAX			TAA provides service for inflight warehouse management, ICT, People management, and other services to TAAX
	21.1 Revenues for other services fee - TAAX	49,650	6,188,124	Pricing:
	Receivables on other service fee - TAAX	6,237,775	6,188,124	Other services fee as agreed in the administrative agreement.
				Payment term: within 30 days
				Transaction in the future: Revenues for other services fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
22. Advertising revenue				
(1) TIPLC	TAA provide advertising service to TIPLC.			TAA provide advertising service to TIPLC.
(2) ADS	ADS manages and sells media space on all TAA's aircraft ambient ad and Thailand 3sixty Magazine."			ADS manages and sells media space on all TAA's aircraft ambient ad and Thailand 3sixty Magazine.
	22.1 Revenues for Advertising revenue - TIPLC	-	21,760	Pricing:
	Receivables on other Advertising revenue - TIPLC	-	-	Advertising fee as comparable pricing with the one TAA made with outsiders.
	22.2 Revenues for Advertising revenue - ADS	-	906,718	
	Receivables on other Advertising revenue - ADS	-	906,718	Payment term: Within 30 days
				Transaction in the future: This will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
23. Services fee expenses				
(1) AACOM	ACT provides online platform to sell and collect payment for the sale of TAA's flights.			ACT provides online platform to sell and collect payment for the sale of TAA's flights.
	23.1 Service fee expenses - AACOM	135,779,211	2,626,149	Pricing:
	Payable on Service fee expense - AACOM	74,132,590	2,626,149	Service fee as agreed in the agreement which was determined per pass
				Payment term: Within 30 days
				Transaction in the future: This will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.
24. Freight revenue				
(1) TEL	TAA has appointed teleport as cargo sale agent to manage and sell cargo capacities in TAA flights.			TAA has appointed teleport as cargo sale agent to manage and sell cargo capacities in TAA flights.
(2) TELTH				
(3) TEL (TH branch)				
	24.1 Revenues for Freight/Cargo - TEL	2,814,096	146,429,872	Pricing:
	Receivables on Cargo revenue - TEL	-	63,220,621	Revenue as agreed in the general sales agreement.
	24.2 Revenues for Freight/Cargo - TELTH	65,022,988	-	Payment term: within 30 days
	Receivables on Cargo revenue - TELTH	-	-	
	24.3 Revenues for Freight/Cargo - TEL (TH branch)	41,497,222	-	Transaction in the future:
	Receivables on Cargo revenue - TEL (TH branch)	2,219,500	-	This will be an ongoing transaction in a future as it is a normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
25. Engineering service income				
(1) TAA	TAA provides engineering service to TAA.			TAA provides engineering service to TAA.
	25.1 Engineering service income - TAA	30,206,200	32,035,320	Pricing:
	Receivable on engineering service income - TAA	160,297,909	101,838,168	Service fee as agreed in the agreement which was determined per pass
				Payment term: within 30 days
				Transaction in the future:
				Service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term
26. Loan				
(1) TAA	TAA obtains loan from AAV to support working capital.			TAA obtains loan from AAV to support working capital.
	26.1 Loan outstanding - TAA	2,450,000,000		- Transaction in the future:
	Interest expenses - TAA	379,124		- This transaction is considered as the financial assistance to the Company's subsidiary to be used for working capital and general operation. The Board and the Audit Committee approved and was of the opinion that there was reasonably made and beneficial to the Company and subsidiary
27. Data services and cyber security service fee				
(1) ATS	ATS provides data consultancy services to support and advice TAA on process, policies and practices.			ATS provides data consultancy services to support and advice TAA on process, policies and practices.
	27.1 Data services and cyber security service fee - ATS	18,912,864		- Pricing:
	Payables on data services and cyber security service fee - ATS	19,010,710		Services fee as agreed in the services agreement



Person who may have conflicts of interest	Nature of the transaction	Transaction value (Baht)		Rationales
		2021	2020	
				<p>Payment term: within 60 days</p> <p>Transaction in the future: Service fee will be an ongoing transaction as it is a supporting normal course of business with general commercial term under approval in principle from Board of Directors and Audit Committee.</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.



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REPORT OF DIRECTORS RELATING TO RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for Asia Aviation's financial statements and Asia Aviation and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company Shareholders and investors.

The Board of Directors has provided and maintained risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, financial reports, review internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statements of the Company and the consolidated financial statements of The Company and its subsidiary have been examined by an external auditor, EY Office Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Asia Aviation's financial statements and Asia Aviation and its subsidiaries' consolidated financial statements for the year ended December 31, 2021. 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



FINANCIAL STATEMENTS

31 December 2021

Asia Aviation Public Company Limited
and its subsidiaries



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Asia Aviation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Asia Aviation Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, 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 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants 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.

Material Uncertainty Related to Going Concern

I draw attention to Note 1.2 to the consolidated financial statements that the COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting various businesses and industries, specifically the tourism and hospitality industries. The situation also affects the Group's aviation business in which the Group has temporarily suspended flight operations or limited flights until the COVID-19 situation improves. This situation has significantly affected the Group's financial position, operating results, and cash flows, and debt covenants under aircraft lease agreements at present and its expect to do so in the future. Therefore, the Group has had operating losses since 2019 and as at 31 December 2021, the Group's consolidated total current liabilities exceeded its consolidated total current assets by significant amount. This situation is expected to continue in the future. However, the impact cannot be reasonably estimated at this stage. In this regard, the Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

Currently, the management is in the process of implementing various measures to seek additional sources of funds, modify business plans, reduce costs and postpone repayments and expenses to manage the Group's liquidity and its cash flows, and the management believes that the Group will be able to continue as a going concern. The financial statements have been prepared under the going concern basis. However, the success of partial financing plans and business plans depends on external factors and COVID-19 situation. This indicates that there are material uncertainties which may raise substantial doubt about the Group's ability to continue as a going concern.

My opinion is not modified in respect of this matter.



Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to 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 matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, key audit matters and how audit procedures respond to each matters are described below.

Impairment of non-financial assets

As impacts to aviation business from the COVID-19 Pandemic, I have focused my audit on the consideration of the impairment of goodwill, intangible assets with indefinite useful life (landing rights), property, aircraft, building, leasehold improvements and equipment, investment properties and right-of-use assets, as described in Notes 15, 13, 11, 14, and 12, respectively to the consolidated financial statements.

The assessment of impairment of assets is a significant accounting estimate requiring management to exercise a high degree of judgment in identifying the cash generating unit, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of assets.

I assessed the identification of cash generating unit and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Group and of the industry and involving internal expert to assist in the assessment of this information by comparing it to external sources based on an expert's knowledge and past experience, tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill, intangible assets with indefinite useful life (landing rights), property, aircraft, leasehold improvements and equipment and right-of-use assets, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Deferred tax

The Group has disclosed its accounting policy and details relating to deferred tax in Notes 31 to the consolidated financial statements. A deferred tax asset is recognised when it is highly probable that the Group's taxable profit will be sufficient to allow utilisation of the deferred tax in the future. Determining whether there will be sufficient future taxable profit to utilise temporary differences or taxable losses requires significant management judgment with respect to preparation of business plans and projections of future taxable profit based on approved business plans. Therefore, there is a risk with respect to the amount of deferred tax assets.



I gained an understanding of and assessed the estimates of future taxable profit which is the same information as cash flow projections used in assessing impairment of non-financial assets. I also tested the calculation of future taxable profit based on the above information and assumptions, and considered the effects of changes to key assumptions on the projected future taxable profits, especially in respect of long-term revenue growth. In addition, I reviewed the disclosure of information regarding temporary differences and unused tax losses for which deferred tax assets were not recognised by the Group.

Recognition of passenger service revenues and other related services

Passenger service revenues and other related services of the Group, as described in Note 26 to the consolidated financial statements, are key performance indicators for users of the financial statements. In addition, recognition of passenger service revenues and other related services for each flight relies on data processed from complex IT systems and involves a significant volume of advanced booking tickets via various sales channels and different ticket prices. As a result, I focused on accuracy and occurrence of data in the revenue reports that were generated from the system to recognise revenues during the year.

I have examined the recognition of passenger service revenues and other related services of the Group by

- Reviewing the testing results as reported in auditor reports of those service organisations, IT general controls and IT application controls over ticket reservation, collections for which covered ticket fare and other related services, and revenue recognition of passenger service revenues and other related services.
- Assessing and testing the Group's internal controls with respect to the revenue process, receipt process and financial statement close process by making enquiry of responsible persons, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Reconciling passenger service revenues recorded in the book to reports generated from a related system.
- On a sampling basis, examining flight information and flight schedules for revenue transactions occurring during the year.

- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the period, including accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained

up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine that matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Kunlapee Piyawannasuth

Certified Public Accountant (Thailand) No. 6137

EY Office Limited

Bangkok: 23 February 2022



STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents	7	5,359,582,770	1,110,369,518	4,646,038,732	98,274,890
Trade and other receivables	8	563,283,355	284,460,444	3,543,905	400,000
Amounts due from related parties	6	1,094,585,486	815,568,031	20,441,624	450,000
Short-term loan to subsidiary	6	-	-	2,450,000,000	-
Inventories		230,273,981	240,241,951	-	-
Current tax assets		12,446,955	20,812,975	198,667	2,501,570
Prepaid expenses		96,269,157	288,713,639	1,425,199	1,259,191
Other current financial assets	6	316,500,216	-	-	-
Total current assets		7,672,941,920	2,760,166,558	7,121,648,127	102,885,651
Non-current assets					
Other non-current financial assets	6, 16	783,651,594	907,601,425	-	-
Investment in subsidiaries	9	-	-	6,967,114,370	3,067,114,370
Aircraft maintenance reserves	6, 10	4,958,623,692	5,856,109,798	-	-
Property, building, aircraft, leasehold improvements and equipment	11	5,277,490,945	6,230,423,100	25	25
Right-of-use assets	12	28,284,477,942	28,527,345,483	-	-
Intangible assets	13	14,862,685,863	14,871,200,162	1	1
Investment property	14	543,631,756	-	-	-
Goodwill	15	8,824,825,803	8,824,825,803	-	-
Deferred tax assets	31	-	-	6,408,400	-
Total non-current assets		63,535,387,595	65,217,505,771	6,973,522,796	3,067,114,396
Total assets		71,208,329,515	67,977,672,329	14,095,170,923	3,170,000,047

The accompanying notes are an integral part of the financial statements.



STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from financial institutions	17	750,000,000	1,000,000,000	-	-
Short-term debentures	18	79,265,574	-	-	-
Trade payables		989,232,397	756,515,092	-	-
Other payables		852,104,757	292,452,079	54,051,461	567,550
Amounts due to related parties	6	1,305,710,809	3,060,172,759	-	-
Current portion of long-term borrowings from financial institutions	19	941,710,013	786,528,550	-	-
Current portion of long-term debentures	20	1,799,895,418	1,499,756,945	-	-
Current portion of liabilities under lease agreements	6, 22	5,931,611,067	6,025,973,794	-	-
Unearned income		2,425,484,742	2,372,595,240	-	-
Income tax payable		-	837,573	-	837,573
Accrued expenses		2,462,263,342	1,718,562,026	952,600	1,125,955
Derivative liabilities	38	22,992,659	309,886,546	-	-
Total current liabilities		17,560,270,778	17,823,280,604	55,004,061	2,531,078
Non-current liabilities					
Long-term borrowings from financial institutions - net of current portion	19	3,094,191,426	3,073,256,587	-	-
Long-term debentures - net of current portion	20	999,256,732	1,598,378,032	-	-
Liabilities under lease agreements - net of current portion	6, 22	31,543,567,945	24,674,609,963	-	-
Provision for long-term employee benefits	23	782,438,893	849,328,766	-	-
Derivative liabilities	38	68,628,026	609,247,953	-	-
Deferred tax liabilities	31	331,177,866	1,989,254,726	-	-
Total non-current liabilities		36,819,260,888	32,794,076,027	-	-
Total liabilities		54,379,531,666	50,617,356,631	55,004,061	2,531,078

The accompanying notes are an integral part of the financial statements.



STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital	24				
Registered					
12,850,000,000 ordinary shares of Baht 0.1 each (2020: 4,850,000,000 ordinary shares of Baht 0.1 each)		1,285,000,000	485,000,000	1,285,000,000	485,000,000
Issued and paid up					
9,878,571,429 ordinary shares of Baht 0.1 each (2020: 4,850,000,000 ordinary shares of Baht 0.1 each)		987,857,143	485,000,000	987,857,143	485,000,000
Premium on ordinary shares	24	10,896,951,131	2,599,808,274	10,896,951,131	2,599,808,274
Convertible debentures - equity component	21	2,200,000,000	-	2,200,000,000	-
Retained earnings					
Appropriated - statutory reserve	25	48,500,000	48,500,000	48,500,000	48,500,000
Unappropriated		6,126,334,260	11,337,157,980	(93,141,412)	34,160,695
Other components of shareholders' equity		(58,544,260)	(204,356,939)	-	-
Equity attributable to owners of the Company		20,201,098,274	14,266,109,315	14,040,166,862	3,167,468,969
Non-controlling interests of the a subsidiary	9.2	(3,372,300,425)	3,094,206,383	-	-
Total shareholders' equity		16,828,797,849	17,360,315,698	14,040,166,862	3,167,468,969
Total liabilities and shareholders' equity		71,208,329,515	67,977,672,329	14,095,170,923	3,170,000,047

The accompanying notes are an integral part of the financial statements.



STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenues from sales and services	26	3,828,468,496	13,633,868,119	25,000,000	25,000,000
Other income	27	679,753,095	2,603,470,679	709,682	1,000,000
Total revenues		4,508,221,591	16,237,338,798	25,709,682	26,000,000
Expenses					
Cost of sales and services		11,223,275,521	20,484,162,770	-	-
Selling and distribution expenses		240,087,022	797,203,450	-	-
Administrative expenses		995,479,777	868,159,737	71,731,685	18,440,511
Other expenses	29	3,899,977,606	1,638,556,306	-	-
Total expenses		16,358,819,926	23,788,082,263	71,731,685	18,440,511
Profit (loss) from operating activities		(11,850,598,335)	(7,550,743,465)	(46,022,003)	7,559,489
Finance income		50,396,650	23,618,808	695,833	36,166
Finance costs	30	(1,898,813,448)	(1,799,781,947)	(87,357,388)	-
Profit (loss) before income tax revenue (expense)		(13,699,015,133)	(9,326,906,604)	(132,683,558)	7,595,655
Income tax revenue (expense)	31	1,741,066,705	659,977,925	5,381,451	(1,553,271)
Profit (loss) for the year		(11,957,948,428)	(8,666,928,679)	(127,302,107)	6,042,384
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Gain (loss) on cash flow hedges - net of income tax		262,026,776	(187,567,110)	-	-
Net change in cost of cash flow hedges - net of income tax	38	(1,343,555)	17,573,453	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent period - net of income tax		260,683,221	(169,993,657)	-	-

The accompanying notes are an integral part of the financial statements.



STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) - net of income tax	23	165,747,358	(45,749,386)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		165,747,358	(45,749,386)	-	-
Other comprehensive income for the year		426,430,579	(215,743,043)	-	-
Total comprehensive income for the year		(11,531,517,849)	(8,882,671,722)	(127,302,107)	6,042,384
Profit (loss) attributable to:					
Equity holders of the Company		(6,647,485,706)	(4,764,092,099)	(127,302,107)	6,042,384
Non-controlling interests of the subsidiary	9.2	(5,310,462,722)	(3,902,836,580)		
		(11,957,948,428)	(8,666,928,679)		
Total comprehensive income attributable to:					
Equity holders of the Company		(6,386,947,805)	(4,882,750,783)	(127,302,107)	6,042,384
Non-controlling interests of the subsidiary		(5,144,570,044)	(3,999,920,939)		
		(11,531,517,849)	(8,882,671,722)		
Earnings (loss) per share					
Basic earnings (loss) per share	33				
Profit (loss) attributable to equity holders of the Company (Baht)		(1,2985)	(0,9823)	(0,0249)	0,0012
Weighted average number of ordinary shares (shares)		5,119,512,529	4,850,000,000	5,119,512,529	4,850,000,000
Diluted earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company (Baht)		(1,2833)	(0,9823)	(0,0246)	0,0012
Weighted average number of ordinary shares (shares)		5,179,943,057	4,850,000,000	5,179,943,057	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 2021

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company										
	Issued and paid-up share capital	Premium on ordinary shares	Convertible debentures equity component	Retained earnings		Other components of shareholders' equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
				Appropriated	Unappropriated	Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity			
Balance as at 1 January 2020	485,000,000	2,599,808,274	-	48,500,000	16,126,412,244	(104,697,684)	(6,162,736)	(110,860,420)	19,148,860,098	7,094,127,322	26,242,987,420
Loss for the year	-	-	-	-	(4,764,092,099)	-	-	-	(4,764,092,099)	(3,902,836,580)	(8,666,928,679)
Other comprehensive income for the year	-	-	-	-	(25,162,165)	(103,161,919)	9,665,400	(93,496,519)	(118,658,684)	(97,084,359)	(215,743,043)
Total comprehensive income for the year	-	-	-	-	(4,789,254,264)	(103,161,919)	9,665,400	(93,496,519)	(4,882,750,783)	(3,999,920,939)	(8,882,671,722)
Balance as at 31 December 2020	485,000,000	2,599,808,274	-	48,500,000	11,337,157,980	(207,859,603)	3,502,664	(204,356,939)	14,266,109,315	3,094,206,383	17,360,315,698
Balance as at 1 January 2021	485,000,000	2,599,808,274	-	48,500,000	11,337,157,980	(207,859,603)	3,502,664	(204,356,939)	14,266,109,315	3,094,206,383	17,360,315,698
Issuance new ordinary shares (Note 24)	502,857,143	8,297,142,857	-	-	-	-	-	-	8,800,000,000	-	8,800,000,000
Increase convertible debentures (Note 21)	-	-	2,200,000,000	-	-	-	-	-	2,200,000,000	-	2,200,000,000
Decrease in non-controlling interests of the subsidiary from changes in interests of investment (Note 9)	-	-	-	-	1,321,936,764	-	-	-	1,321,936,764	(1,321,936,764)	-
Loss for the year	-	-	-	-	(6,647,485,706)	-	-	-	(6,647,485,706)	(5,310,462,722)	(11,957,948,428)
Other comprehensive income for the year	-	-	-	-	114,725,222	146,564,194	(751,515)	145,812,679	260,537,901	165,892,678	426,430,579
Total comprehensive income for the year	-	-	-	-	(6,532,760,484)	146,564,194	(751,515)	145,812,679	(6,386,947,805)	(5,144,570,044)	(11,531,517,849)
Balance as at 31 December 2021	987,857,143	10,896,951,131	2,200,000,000	48,500,000	6,126,334,260	(61,295,409)	2,751,149	(58,544,260)	20,201,098,274	(3,372,300,425)	16,828,797,849

The accompanying notes are an integral part of the financial statements.



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Convertible debentures equity component	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at 1 January 2020	485,000,000	2,599,808,274	-	48,500,000	28,118,311	3,161,426,585
Profit for the year	-	-	-	-	6,042,384	6,042,384
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	6,042,384	6,042,384
Balance as at 31 December 2020	485,000,000	2,599,808,274	-	48,500,000	34,160,695	3,167,468,969
Balance as at 1 January 2021	485,000,000	2,599,808,274	-	48,500,000	34,160,695	3,167,468,969
Issuance new ordinary shares (Note 24)	502,857,143	8,297,142,857	-	-	-	8,800,000,000
Increase convertible debentures (Note 21)	-	-	2,200,000,000	-	-	2,200,000,000
Loss for the year	-	-	-	-	(127,302,107)	(127,302,107)
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(127,302,107)	(127,302,107)
Balance as at 31 December 2021	987,857,143	10,896,951,131	2,200,000,000	48,500,000	(93,141,412)	14,040,166,862

The accompanying notes are an integral part of the financial statements.



CASH FLOW STATEMENT

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit (loss) before tax	(13,699,015,133)	(9,326,906,604)	(132,683,558)	7,595,655
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Impairment loss on financial assets	-	147,609,241	-	-
Impairment of right-of-use assets	-	1,415,961,457	-	-
Allowance for expected credit losses	179,830,904	-	-	-
Write-off tax asset	6,938,468	-	-	-
Depreciation and amortisation	5,434,313,781	6,355,024,847	-	177
(Gain) loss on sales of aircraft and equipment and write-off of leasehold improvements and intangible assets	43,458,639	(1,331,760,870)	-	-
Long-term employee benefits expenses	158,031,879	154,824,199	-	-
(Gain) loss on derivatives	(391,178,124)	37,190,862	-	-
Unrealised (gain) loss on exchange	4,145,121,382	(184,517,223)	-	-
Finance income	(50,396,650)	(23,618,808)	(695,833)	(36,166)
Finance costs	1,894,878,663	1,799,781,947	87,357,388	-
Profit (loss) from operating activities before changes in operating assets and liabilities	(2,278,016,191)	(956,410,952)	(46,022,003)	7,559,666
Operating assets (increase) decrease				
Trade and other receivables	(288,823,680)	532,600,764	(3,143,905)	200,000
Amounts due from related parties	(440,225,861)	990,129,288	(19,612,500)	-
Inventories	9,967,970	54,399,254	-	-
Prepaid expenses	192,444,482	(74,426,026)	(166,008)	(335,066)
Other current assets	(202,648,200)	-	-	-
Other non-current financial assets	(51,895,335)	(79,365,021)	-	-

The accompanying notes are an integral part of the financial statements.



CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Operating liabilities increase (decrease)				
Trade payables	(64,380,696)	(160,107,585)	-	-
Other payables	473,154,820	(592,011,424)	53,483,911	(50,951)
Amounts due to related parties	(2,115,315,066)	2,686,349,320	-	-
Unearned income	55,725,914	(2,275,747,453)	-	-
Accrued expenses	381,164,381	(999,727,014)	(173,355)	(450,056)
Payment for long-term employee benefits	(17,737,554)	(19,468,696)	-	-
Cash flows from (used in) operating activities	(4,346,585,016)	(893,785,545)	(15,633,860)	6,923,593
Cash paid for income tax	(2,739,873)	(4,112,265)	(1,864,522)	(1,335,538)
Income tax refund	2,302,903	-	2,302,903	-
Net cash flows from (used in) operating activities	(4,347,021,986)	(897,897,810)	(15,195,479)	5,588,055
Cash flows from investing activities				
Net increase in short-term loan to subsidiary	-	-	(2,450,000,000)	-
Net increase in Investments in subsidiary	-	-	(3,900,000,000)	-
Payment for aircraft maintenance reserves	(370,838,951)	(508,929,105)	-	-
Payments for leasehold improvements and acquisitions of equipment	(99,601,376)	(820,757,080)	-	-
Acquisitions of intangible assets	-	(1,986,927)	-	-
Finance income	50,396,650	23,618,808	316,709	36,166
Proceeds from sales of aircraft and equipment	1,703,707,796	13,372,411,321	-	-
Net cash flows from (used in) investing activities	1,283,664,119	12,064,357,017	(6,349,683,291)	36,166

The accompanying notes are an integral part of the financial statements.



CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from financing activities				
Net decrease in short-term borrowings from financial institutions	(32,900,000)	(150,000,000)	-	-
Net increase in short-term debentures	80,000,000	-	-	-
Proceeds from long-term borrowing from financial institution	-	847,322,990	-	-
Repayments of long-term borrowings from financial institutions	(74,037,544)	(48,272,495)	-	-
Payments for early termination of long-term borrowings	-	(2,180,023,438)	-	-
Repayment of long-term debenture	(300,000,000)	(1,000,000,000)	-	-
Proceeds from convertible debentures	2,200,000,000	-	2,200,000,000	-
Cash paid for liabilities under lease agreements	(1,875,575,572)	(4,105,718,670)	-	-
Payments for early termination of lease agreements	(923,564,447)	(7,084,712,129)	-	-
Interest paid	(560,290,973)	(309,990,854)	(87,357,388)	-
Cash received for share subscription	8,800,000,000	-	8,800,000,000	-
Net cash flows from (used in) financing activities	7,313,631,464	(14,031,394,596)	10,912,642,612	-
Net increase (decrease) in cash and cash equivalents	4,250,273,597	(2,864,935,389)	4,547,763,842	5,624,221
Cash and cash equivalents at beginning of the year	1,110,369,518	3,982,231,614	98,274,890	92,650,669
Unrealised exchange loss on cash and cash equivalents	(1,060,345)	(6,926,707)	-	-
Cash and cash equivalents at end of the year (Note 7)	5,359,582,770	1,110,369,518	4,646,038,732	98,274,890

The accompanying notes are an integral part of the financial statements.



CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 December 2021

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Non-cash items:				
Increase in other payables from acquisitions of equipment	82,141,265	81,861,381	-	-
Borrowing costs capitalised as assets	12,294,061	7,552,053	-	-
Transfer property, aircraft, leasehold improvement and equipment to investment properties	548,226,933	-	-	-
Transfer right-of-use assets to property, aircraft, leasehold improvements and equipment	1,714,858,285	9,356,046,615	-	-
Increase in right-of-use assets from new lease agreements	1,211,857,937	7,655,027,790	-	-
Increase in right-of-use assets and liabilities under lease agreement from lease measurement	3,728,108,059	-	-	-
Increase in right-of-use assets from deposit	130,798,187	101,143,185	-	-
Increase in right-of-use assets from sales and leaseback aircraft	33,721,165	-	-	-
Extension borrowing period of short-term to long-term	250,000,000	600,000,000	-	-
Decrease in liabilities under lease agreements from reduction in lease payments by lessors resulting from the COVID-19 situation	20,599,335	42,052,287	-	-

The accompanying notes are an integral part of the financial statements.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. General information

1.1 The Company's general information

Asia Aviation Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in investing in low-fare airline business company. Its registered address is at 222, Don Mueang International Airport, 3rd floor, Central Office Building, Room no. 3200, Vibhavadee Rangsit Road, Sanam Bin Sub-District, Don Mueang District, Bangkok.

On 19 October 2021, the Board of Directors' Meeting of the Company and the subsidiaries company (“the Group”) passed resolutions approving the Group's shareholding restructuring plan as detailed below:

1. A loan to provided by a financial institution to the Company amounts to of Baht 3,900 million whereby the subsidiary is the guarantor. The repayment of the loan is to be utilised from capital increase received from the Group's shareholding restructuring plan.
2. The subsidiary increased its registered capital and offer newly issued ordinary shares to the existing shareholders in proportionate to their respective shareholdings totaling 20,115,789 shares, with a par value of Baht 10 per share or a total value of Baht 3,900 million. After the capital increase, the Company will increase its shareholding in the subsidiary to approximately 69.2 percent of the total shares of the subsidiary.
3. The subsidiary utilised proceeds derived from the capital increase of approximately Baht 3,900 million to repay trade debts to group companies of Capital A Berhad (formerly known as “AirAsia Group Berhad “,”AAGB”), which is a major shareholder of AirAsia Aviation Limited (“AAA”) (formerly known as “AirAsia Investment Ltd.”).
4. The Company increased its registered capital and offer newly issued ordinary shares on a private placement basis, with an offering price of Baht 1.75 per share, totaling Baht 8,800 million, as follows:

4.1 AAA (another shareholder of the Group) in the total amount of not exceeding 4,457,142,857 shares, with a par value of Baht 0.10 per share, representing no more than 45.12 percent of the total issued and paid-up shares of the Company after the capital increase by issuance and allocation of ordinary shares on a private placement basis. The total value is Baht 7,800 million. According to the allocation of ordinary shares, AAA wishes to apply for a waiver from the requirement to make a tender offer for all securities of the Company.

4.2 Six individual investors (unrelated parties of the Group) in the total amount of not exceeding 571,428,572 shares, with a par value of Baht 0.10, representing no more than 5.8 percent of the total number of shares issued and paid-up shares of the Company after the capital increase by issuance and allocation of ordinary shares on a private placement basis. The total value is Baht 1,000 million.

5. The Company issued and offer convertible debentures to two investors, with a maturity period of no more than 2 years. The total value of Baht 2,200 million. The conversion ratio is 0.00175. They can be converted into 1 ordinary share of the Company with the conversion price of Baht 1.75 per share. In addition, the Company will increase its registered capital and issue newly issued shares in the maximum amount of not exceeding 1,257,142,857 shares, with a par value of Baht 0.10 per share to accommodate the conversion of the aforementioned convertible debentures.
6. Once the Company has offered the newly issued shares and convertible debentures on a private placement basis, in accordance with the process under clauses 4 and 5 above, the Company will increase its registered capital and offer newly issued shares to existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering), at the offering price of Baht 1.75 per share. The Company expects to receive proceeds from the offering of newly issued shares to existing shareholders of the subsidiary in proportion to their respective shareholdings of approximately Baht 3,000 million.



7. Once the Company receives proceeds from the capital increase and issuance of convertible debentures, in accordance with clauses 4 to 6 above, in total amount of Baht 14,000 million, the Company will use such proceeds to purchase the remaining 30.77 percent of the shares of the subsidiary from other shareholders of Baht 199 per share, or totaling Baht 3,900 million, and repay the loan to the financial institution as mentioned in clause 1 above.

The material conditions precedent of the shareholding restructuring plan of the Group are as follows:

- a. The shareholders' meeting of the Company resolves to approve the shareholding restructuring plan of the Group.
- b. The Company receives a loan facility from the financial institution under the shareholding restructuring plan of the Group, under the terms and conditions of the facility agreement as the Company deems appropriate.
- c. The Company obtains related and necessary approval and/or waiver from government or supervisory authorities with acceptable waiver terms to the Company or its related persons (such as the obtaining of approval from the Office of the SEC on the offering of securities on a private placement basis, the obtaining of waiver from the Office of the SEC on whitewash, the obtaining of approval from the Department of Business Development, Ministry of Commerce on the registration of articles of association (amended version) of the Company).
- d. Investors and their related persons (who execute the initial memorandum of understanding with the Company) have entered into definitive agreements, i.e. shares subscription agreement, convertible debenture subscription agreement and the subsidiary's shares purchase agreement between the Company and the sellers on terms and conditions in accordance with the initial memorandum of understanding or on the terms and conditions acceptable to the Company and the conditions precedent being specified in those definitive agreements have been satisfied (or waived, as the case may be); and
- e. No material adverse events to the Company or the proceeding of the Shareholding Restructuring Plan of the Group.

On 26 November 2021, the Extraordinary Shareholder's Meeting of the Company approved of the shareholding restructuring plan of the Group. As at 31 December 2021, clauses 1 to 5 have been completed and the clause 6 and 7 mentioned in Note 41.2.

1.2 Coronavirus disease 2019 Pandemic

The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting various businesses and industries, specifically the tourism and hospitality industries. The situation also affects the Group's aviation business in which the Group has suspended flight operations or limited flights until the COVID-19 situation improves. This situation has significantly affected the Group's financial position, operating results, and cash flows. Therefore, the Group has had operating losses since 2019 and as at 31 December 2021 presented capital deficits and the Group's consolidated total current liabilities exceeded its consolidated total current assets by significant amount. This situation is expected to continue in the future. However, the impact cannot be reasonably estimated at this stage. In this regard, the Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

Currently, the management is the process of implementing various measures to seek additional sources of funds, including group restructuring plan as described in Note 1.1, modify business plans, reduce costs and postpone repayments expenses to manage the Group's liquidity and its cash flows, and the management believes that the Group will be able to continue as a going concern. The financial statements have been prepared under the going concern basis. However, the success of partial financing plans and business plans depends on external factors and COVID-19 situation. This indicates that there are material uncertainties which may raise substantial doubt about the Group's ability to continue as a going concern.



2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issue under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Group. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Asia Aviation Public Company Limited (“the Company”) and the following subsidiary (“the Group”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021	2020
			(%)	(%)
<u>Direct investment</u>				
Thai AirAsia Co., Ltd.	Low-fare airline service	Thailand	69.22	55.00
<u>Subsidiary held by Thai AirAsia Co., Ltd.</u>				
Asia Aviation Center Co., Ltd.	Providing academy institution of learning and competency development for aviation tourism and hospitality industries	Thailand	99.99	99.99

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investment in subsidiary under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.



The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

However, the Group has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9 Financial Instruments and TFRS 7 Disclosure of Financial Instruments, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue and expenses recognition

Passenger service revenues and other related services

Passenger service revenues and other related services such as baggage handling fee, assigned seat revenue, cancellation and documentation revenue, processing fee and other fees are recognised upon the rendering of flight services. The value of seats sold and fees for which flight services have not been rendered is included in deferred revenues.

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less.



4.3 Inventories

Inventories comprising food, beverages and merchandise are valued at the lower of cost (under the weighted average method) and net realisable value.

Consumables used internally for aircraft repairs and maintenance are valued at the lower of cost (under the weighted average method) and net realisable value.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventories such as import duties and transportation charges, less all attributable discounts, allowances or rebates.

Net realisable value is the estimate of the selling price in the ordinary course of business, less estimated cost necessary to make the sale. Allowance is made, as appropriate, for obsolete, slow moving or defective inventories.

4.4 Property, building, aircraft, leasehold improvement and equipment and depreciation

Land is stated at cost less allowance for loss on impairment (if any).

Building, aircraft, leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Initial cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

The subsidiary will transfer aircraft maintenance reserves to cost of aircraft and aircraft engines once the major overhaul occurred, 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, building, leasehold improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building	- 29 years
Aircraft and aircraft engines	- 5 - 25 years
Aircraft spare parts	- 5 and 10 years
Leasehold improvements	- 5 and 10 years
Computers	- 5 years
Furniture, fixture and office equipment	- 5 years
Operating equipment	- 5 years
Motor vehicles	- 5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

An item of property, building, aircraft, leasehold improvements and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



4.6 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible assets with finite useful lives, which are computer software, have useful lives of 5 years.

No amortisation is provided on computer software under installation.

Intangible assets with indefinite useful live, which are landing rights, are not amortised. Landing rights are considered to have an indefinite useful life as they will remain available for use for the foreseeable future provided that minimum utilisation requirements are observed. The assessment of indefinite useful lives of the intangible assets is reviewed and impairment is tested annually.

4.7 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of buildings classified as investment property is calculated by reference to their costs on the straight-line basis over estimated useful lives of 29 years, and included in determining income. No depreciation is provided on land and buildings under construction.

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated, and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.



4.10 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Aircraft and aircraft engines	5 - 25	years
Space	3 and 10	years
Motor vehicles	3 - 5	years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.



4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, aircraft, leasehold improvement and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.



4.14 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.16 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets are derivatives, which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.



Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Recognition and derecognition of financial instruments

Regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e., the date on which an asset is delivered to or by the Group.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

It is ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.17 Derivatives and hedge accounting

Derivative financial instruments that the Group uses to manage risks on fluctuation of exchange rate and interest rate comprise, forward foreign exchange contracts, interest rate swap agreements and cross currency swap agreements and to manage fluctuation in fuel price comprise fuel price swap agreements.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.



Hedge accounting

For the purpose of hedge accounting, hedge is classified as cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

The Group designates only the financial instrument excluding the foreign currency basis spread as a hedging instrument. The change in fair value of the foreign currency basis spread of financial instrument that relates to the hedged item is separately accounted for as a cost of hedging which is recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.



If the hedged item is transaction-related, the cost of hedging reserve accumulated in other comprehensive income is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the reserve accumulated in other comprehensive income is reclassified to profit or loss on systematic and rational basis. The reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

4.18 Convertible debentures

Convertible debenture denominated in Thai Baht that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The equity component of convertible debenture is initially recognised at the fair value of an equity conversion option. The liability component is initially recognised at the difference between the fair value of the convertible debenture as a whole and the fair value of the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a convertible debenture is measured at amortised cost using the effective interest method. The equity component of a convertible debenture is not remeasured. Interest related to the financial liabilities is recognised in profit and loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.



5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing

of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.



Post-employment benefits under defined benefits and other long-term employee benefits

The obligations under the defined post employment benefit plan and other long-term employee benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

As at 31 December 2021, significant related persons and companies of the Group are summarised as below.

- AirAsia Aviation Limited (the subsidiary of Capital A Berhad) the 45.12% held shareholder in the Company
- Khun Tassapon Bijleveld (and the Bijleveld family), the major shareholder of the Company, director, and management of the Group
- Directors and senior management of the Group

As at 31 December 2020, significant related persons and companies of the Group are summarised as below.

- Khun Tassapon Bijleveld (and the Bijleveld family), the major shareholder, director, and management of the Group,
- AirAsia Aviation Limited (formerly known as “AirAsia Investment Ltd.”) the 45.00% held shareholder in the subsidiary
- Directors and senior management of the Group

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	For the years ended 31 December				
	2021	2020	2021	2020	
Transactions with a subsidiary					
(eliminated from the consolidated financial statements)					
Management income	-	-	25	25	Contract price



(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
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	For the years ended 31 December				
	2021	2020	2021	2020	

Transactions with related companies

Engineering service income	30	32	-	-	Contract price
Ground handling income	-	8	-	-	Contract price
Other administrative income	10	20	-	-	Contract price
Other service income	-	6	-	-	Contract price
Revenues for loyalty program to customers	10	55	-	-	Contract price
Revenues from freight and cargo	109	146	-	-	Contract price
Share of loss from fuel price swap agreements	55	2,501	-	-	Allocated based on usage
Aircraft and aircraft engines rental expenses	589	1,674	-	-	Contract price
Aircraft repair and maintenance expenses	372	1,157	-	-	Market price
Purchases of merchandises and equipment	-	8	-	-	Market price
Management expenses	77	15	-	-	Contract price
Allocated staff cost and other service expenses	397	41	-	-	Contract price
Brand license fee expenses	-	225	-	-	1.5 percent of airline operating income
Booking fee expenses	-	127	-	-	Contract price
Marketing fund expenses	-	79	-	-	Contract price
Service fee expenses	136	3	-	-	Contract price
Pilot training expenses	-	1	-	-	Contract price
Expenses for loyalty program to customers	10	55	-	-	Contract price
Ground handling service expenses	73	11	-	-	Contract price
Security expenses	-	3	-	-	Contract price
Conference room and other service expenses	-	1	-	-	Contract price



As at 31 December 2021 and 2020, the outstanding balances between the Group and those related parties are as follows.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Receivables - related parties				
Subsidiary	-	-	20,441,624	-
Related companies (common shareholders and/or directors)	1,375,151,757	930,029,123	-	450,000
Less: Allowance for expected credit losses	(280,566,271)	(114,461,092)	-	-
Total	1,094,585,486	815,568,031	20,441,624	450,000
Other current financial assets				
<i>Deposits for lease of aircraft</i>				
Related company (common shareholders and directors)	103,730,328	-	-	-
Total	103,730,328	-	-	-
Other non-current financial assets (Note 16)				
<i>Deposits for lease of aircraft</i>				
Related company (common shareholders and directors)	145,308,426	215,776,921	-	-
<i>Deposits for fuel price swap agreements</i>				
Related company (common shareholders and directors)	16,623,450	14,933,700	-	-
<i>Other deposits</i>				
Related company (common directors)	20,000,000	20,000,000	-	-
Total	181,931,876	250,710,621	-	-
Aircraft maintenance reserves (Note 10)				
Related company (common shareholders and directors)	4,958,623,692	5,856,109,798	-	-
Total	4,958,623,692	5,856,109,798	-	-



(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Payables - related parties				
Related companies (common shareholders and/or directors)	1,305,710,809	3,060,172,759	-	-
Total	1,305,710,809	3,060,172,759	-	-
Lease liabilities (Note 22)				
Related company (common shareholders and directors)	2,898,662,244	2,763,814,050	-	-
Total	2,898,662,244	2,763,814,050	-	-

Short-term borrowings to subsidiary

(Unit: Baht)

Loan to subsidiary	Separate financial statements			
	Balance as at 1 January 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2021
Thai AirAsia Co., Ltd.	-	2,548,000,000	(98,000,000)	2,450,000,000
Total	-	2,548,000,000	(98,000,000)	2,450,000,000

Short-term borrowings to subsidiary are unsecured loans with fixed interest rate at 0.25 percent per annum, and payable at call or when the borrower has sufficient cash flow, which repayment on 18 February 2022.

**Directors and management's benefits**

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Short-term employee benefits	65,978,579	86,155,950	4,493,000	7,325,000
Post-employment benefits	5,767,940	7,825,326	-	-
Other long-term benefits	15,123	12,080	-	-
Total	71,761,642	93,993,356	4,493,000	7,325,000

7. Cash and cash equivalents

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash	6,547,058	7,133,525	-	-
Bank deposits	5,293,035,712	986,271,936	4,646,038,732	98,274,890
Bank deposit held for short-term payment	60,000,000	116,964,057	-	-
Total	5,359,582,770	1,110,369,518	4,646,038,732	98,274,890

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.10 and 0.25 percent per annum (2020: Between 0.10 and 0.70 percent per annum).

Bank deposit held for short-term payment represents a portion of the savings deposit that the subsidiary has set aside for the payment of fuel costs to a local private company.



8. Trade and other receivables

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<u>Trade receivables</u>				
Aged on the basis of due dates				
Not yet due	72,783,468	28,964,233	-	-
Past due				
Up to 3 months	26,823,687	27,522,547	-	-
3 - 6 months	1,436,379	1,857,266	-	-
6 - 12 months	3,698,164	39,522,776	-	-
Over 12 months	45,620,467	25,834,501	-	-
Total trade receivables	150,362,165	123,701,323	-	-
Less: Allowance for expected credit losses	(47,652,039)	(39,499,618)	-	-
Total trade receivables - net	102,710,126	84,201,705	-	-
<u>Other receivables</u>				
Value added tax refundable	360,462,276	92,681,172	3,062,405	-
Aircraft maintenance claimable	132,684,229	116,246,482	-	-
Others	10,795,453	29,126,510	481,500	400,000
Total	503,941,958	238,054,164	3,543,905	400,000
Less: Allowance for expected credit losses	(43,368,729)	(37,795,425)	-	-
Total other receivables	460,573,229	200,258,739	3,543,905	400,000
Total trade and other receivables	563,283,355	284,460,444	3,543,905	400,000



9. Investment in subsidiaries

9.1 Investment in subsidiaries as presented in separate financial statements as follows.

(Unit: Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2021	2020	2021	2020	2021	2020
			(%)	(%)		
Thai AirAsia Co., Ltd.	636,713,490	433,555,600	69	55	6,967,114,370	3,067,114,370

Subsidiary held by Thai AirAsia Co., Ltd.

(Unit: Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2021	2020	2021	2020	2021	2020
			(%)	(%)		
Asia Aviation Center Co., Ltd.	2,500,000	-	99.99	-	2,499,993	-

The Company has no dividend received from the subsidiary in 2021 and 2020.

On 14 February 2012, the Company entered into an “Amended and Restated Shareholders’ Agreement” with three parties which are AirAsia Aviation Limited (“AAA”) (formerly known as “AirAsia Investment Ltd.”) (a subsidiary of AirAsia Berhad), AirAsia Berhad and Thai AirAsia Co., Ltd. pursuant which the parties set out their respective rights and obligations with respect to Thai AirAsia Co., Ltd. According to the “Amended and Restate Shareholders’ Agreement”, the Company has gained control over Thai AirAsia Co., Ltd. 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 Co., Ltd. has been considered as a subsidiary instead of a joint venture from that date onward and from the restructuring of the Group’s shareholding restructuring plan as mentioned in Note 1.1, resulting in the agreement “Contract Amendment” is terminated.

On 29 May 2012, the Company subscribed for an additional 3,555,560 shares of Thai AirAsia Co., Ltd, totaling Baht 2,663 million, at a price of Baht 749 each. Therefore, the Company’s shareholding interest in Thai AirAsia Co., Ltd. was increased from 51% to 55% from that date.

On 8 December 2021, the Company subscribed for an additional 20,115,789 shares of Thai AirAsia Co., Ltd., totaling Baht 3,900 million, at a price of Baht 194 each. Therefore, the Company’s shareholding interest in Thai AirAsia Co., Ltd. was increased from 55% to 69% from that date.



On 27 January 2021, Asia Aviation Center Co., Ltd. was registered with the Ministry of Commerce to be the academy institution of learning and competency development for aviation tourism and hospitality industries. The registered capital is Baht 10 million (1 million ordinary shares of Baht 10 each) and Thai AirAsia Co., Ltd. has a 99.99% shareholding of that company.

9.2 Details of investment in subsidiary that have material non-controlling interests for the year ended 31 December 2021 and 2020 as follow:

(Unit: Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests in subsidiary		Loss allocated to non-controlling interests during the years	
	2021	2020	2021	2020	2021	2020
	(%)	(%)				
Thai AirAsia Co., Ltd.	31	45	(3,372,300,425)	3,094,206,383	(5,310,462,722)	(3,902,836,580)

9.3 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 Co., Ltd.	
	As at 31 December	
	2021	2020
Current assets	3,019,235,417	2,657,280,907
Non-current assets	42,489,508,293	42,472,525,807
Current liabilities	(19,975,707,487)	(17,820,749,526)
Non-current liabilities	(36,488,083,022)	(30,804,821,301)

Summarised information about comprehensive income

(Unit: Baht)

	Thai AirAsia Co., Ltd.	
	For the years ended 31 December	
	2021	2020
Revenue	4,507,511,909	16,236,338,798
Loss	(11,785,713,265)	(8,672,971,063)
Other comprehensive income	426,430,579	(215,743,043)
Total comprehensive income	(11,359,282,686)	(8,888,714,106)



(Unit: Baht)

	Thai AirAsia Co., Ltd.	
	For the years ended 31 December	
	2021	2020
Cash flows used in operating activities	(4,327,891,729)	(903,485,865)
Cash flows from investing activities	1,280,847,417	12,064,320,851
Cash flows from (used in) financing activities	2,747,054,067	(14,031,394,596)
Net decrease in cash and cash equivalents	(299,990,245)	(2,870,559,610)
Cash and cash equivalents at beginning of the year	1,012,094,628	3,889,580,945
Unrealised exchange loss on cash and cash equivalents	(1,060,345)	(6,926,707)
Cash and cash equivalents at end of the year	711,044,038	1,012,094,628

9.4 Financial statements of subsidiary

Financial statements of Asia Aviation Center Co., Ltd. were prepared by its managements and had not yet been audited by its auditor. However, the management believes that there would be no material differences if the financial statements has been audited by the auditor.

10. Aircraft maintenance reserves

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 to AirAsia Berhad. These aircraft maintenance reserves are managed by the subsidiary for future maintenance/overhaul deemed necessary to be performed once the aircraft reached certain engine hours/hours flown. Aircraft maintenance reserves will be transferred to aircraft upon actual overhaul occur or amortised over the estimated maintenance period for the leased asset.

Movements of the aircraft maintenance reserves account during the years 2021 and 2020 are summarised below.

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Net book value as at 1 January	5,856,109,798	5,963,213,001
Payment for aircraft maintenance reserves	370,838,951	508,929,105
Amortisation	(1,268,325,057)	(616,032,308)
Net book value as at 31 December	4,958,623,692	5,856,109,798



11. Property, building, aircraft, leasehold improvements and equipment

(Unit: Baht)

Consolidated financial statements											
	Land	Building	Aircraft and aircraft engines	Aircraft spare parts	Aircraft spare parts	Computers	Furniture, fixtures and office equipment	Operating equipment	Motor vehicles	Assets under construction and installation	Total
Cost											
As at 1 January 2020	650,760,000	-	8,824,594,419	1,355,802,816	417,621,057	163,476,439	87,694,103	348,030,391	219,479,306	173,079,555	12,240,538,086
Additions	-	-	9,433,277,624	71,013,691	10,695,036	20,251,887	1,453,132	7,281,569	5,074,000	709,618,138	10,258,665,077
Disposals/write-off	-	-	(12,329,418,406)	-	(1,155,000)	(2,107,404)	(52,150)	-	-	-	(12,332,732,960)
Borrowing costs included in asset	-	-	-	-	-	-	-	-	-	7,552,053	7,552,053
Transfers	-	-	134,157,860	-	6,688,850	-	-	-	-	(140,846,710)	-
As at 31 December 2020	650,760,000	-	6,062,611,497	1,426,816,507	433,849,943	181,620,922	89,095,085	355,311,960	224,553,306	749,403,036	10,174,022,256
Additions	-	-	1,716,278,892	8,624,768	2,233,477	593,745	334,991	651,251	826,000	167,020,864	1,896,563,988
Disposals/write-off	-	-	(1,807,897,750)	(118,033,418)	(11,281,119)	(3,260,877)	(2,717,203)	(44,774,960)	(35,348,952)	-	(2,023,314,279)
Borrowing costs included in asset	-	-	-	-	-	-	-	-	-	12,294,061	12,294,061
Transfers	(223,523,122)	603,311,217	-	-	-	-	-	-	-	(928,015,028)	(548,226,933)
As at 31 December 2021	427,236,878	603,311,217	5,970,992,639	1,317,407,857	424,802,301	178,953,790	86,712,873	311,188,251	190,030,354	702,933	9,511,339,093



(Unit: Baht)

Consolidated financial statements

	Land	Building	Aircraft and aircraft engines	Aircraft spare parts	Leasehold improvements	Computers	Furniture, fixtures and office equipment	Operating equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated Depreciation											
As at 1 January 2020	-	-	2,120,396,511	731,168,445	214,282,264	106,159,896	69,783,970	302,436,887	129,377,427	-	3,673,605,400
Depreciation for the year	-	-	343,581,135	108,227,815	38,718,527	20,687,165	6,375,856	19,664,727	24,821,039	-	562,076,264
Depreciation on disposals/ write-off	-	-	(289,719,331)	-	(997,375)	(1,313,653)	(52,149)	-	-	-	(292,082,508)
As at 31 December 2020	-	-	2,174,258,315	839,396,260	252,003,416	125,533,408	76,107,677	322,101,614	154,198,466	-	3,943,599,156
Depreciation for the year	-	4,007,440	268,662,211	105,990,341	36,672,909	17,301,033	5,747,434	13,967,158	24,161,037	-	476,509,563
Depreciation on disposals/ write-off	-	-	(34,213,181)	(56,264,099)	(11,261,112)	(3,260,560)	(2,692,757)	(42,771,444)	(35,797,418)	-	(186,260,571)
As at 31 December 2021	-	4,007,440	2,408,707,345	889,122,502	277,415,213	139,573,881	79,162,354	293,297,328	142,562,085	-	4,233,848,148
Net book value											
As at 31 December 2020	650,760,000	-	3,888,353,182	587,420,247	181,846,527	56,087,514	12,987,408	33,210,346	70,354,840	749,403,036	6,230,423,100
As at 31 December 2021	427,236,878	599,303,777	3,562,285,294	428,285,355	147,387,088	39,379,909	7,550,519	17,890,923	47,468,269	702,933	5,277,490,945
Depreciation for the year											
2020 (Baht 471 million included in cost of sales and services, and the remaining balance in selling and distribution and administrative expenses)											562,076,264
2021 (Baht 392 million included in cost of sales and services, and the remaining balance in selling and distribution and administrative expenses)											476,509,563



(Unit: Baht)

	Separate financial statements
	Office equipment
Cost	
1 January 2020	62,187
31 December 2020	62,187
31 December 2021	62,187
Accumulated depreciation:	
1 January 2020	61,985
Depreciation for the year	177
31 December 2020	62,162
Depreciation for the year	-
31 December 2021	62,162
Net book value:	
31 December 2020	25
31 December 2021	25
Depreciation for the year	
2020 (Included in administrative expenses)	177
2021 (Included in administrative expenses)	-

During the year, the subsidiary transferred rights in 2 aircraft (2020: 8 aircraft) by repaying liabilities and fees to early terminate lease agreements in order to use those aircraft to enter into the aircraft sale and leaseback transactions with a company. The transactions comprised selling and lease 2 aircraft back (2020: selling of 10 aircraft and lease back 9 aircraft) to use in the normal business operation. The subsidiary recognised loss on disposals of those aircraft amounting to Baht 43 million as presented as a part of other expenses (2020: gain of Baht 1,332 million as presented as a part of other income).

As at 31 December 2021, certain items of leasehold improvements and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2,221 million (2020: Baht 2,002 million).

The subsidiary has pledged its land and building constructed thereon and 4 aircraft (2020: 2 aircraft) with net book value amounting to approximately Baht 3,122 million (2020: Baht 2,263 million) as collateral against credit facilities received from financial institutions as discussed in Note 19.



12. Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Baht)

	Consolidated financial statement			
	Aircrafts and aircraft engines	Space	Motor vehicles	Total
As at 1 January 2020	36,381,586,137	188,599,438	176,420,616	36,746,606,191
Increase from new lease agreements during the year	7,649,316,943	-	5,710,847	7,655,027,790
Increase from deposits for lease agreements	101,143,185	-	-	101,143,185
Decrease from early termination of lease agreements	(9,356,046,615)	-	-	(9,356,046,615)
Depreciation for the year	(5,107,828,183)	(50,382,031)	(45,213,397)	(5,203,423,611)
Decrease from impairment of right of use assets	(1,415,961,457)	-	-	(1,415,961,457)
As at 31 December 2020	28,252,210,010	138,217,407	136,918,066	28,527,345,483
Increase from new lease agreements during the year	1,211,857,937	-	42,028,655	1,253,886,592
Increase from lease remeasurement	3,728,108,059	-	-	3,728,108,059
Increase from deposits for lease agreements	130,798,187	-	-	130,798,187
Decrease from early termination of lease agreements	(1,714,858,285)	-	-	(1,714,858,285)
Reduction in lease payment by lessors resulting from the COVID-19 situation	-	(20,599,335)	-	(20,599,335)
Depreciation for the year	(3,532,452,798)	(41,697,568)	(46,052,393)	(3,620,202,759)
As at 31 December 2021	28,075,663,110	75,920,504	132,894,328	28,284,477,942

In 2020, the subsidiary reversed depreciation of right-of-use assets amounting to Baht 36 million, as a result of its decision to apply the temporary relief measures on accounting alternatives due to COVID-19 situation.



13. Intangible assets

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

(Unit: Baht)

	Consolidated financial statements			Separate financial statements
	Landing rights	Computer software	Total	Computer software
As at 31 December 2021				
Cost	14,856,000,000	81,072,345	14,937,072,345	6,420
Less: Accumulated amortisation	-	(74,386,482)	(74,386,482)	(6,419)
Net book value	14,856,000,000	6,685,863	14,862,685,863	1
As at 31 December 2020				
Cost	14,856,000,000	82,326,908	14,938,326,908	6,420
Less: Accumulated amortisation	-	(67,126,746)	(67,126,746)	(6,419)
Net book value	14,856,000,000	15,200,162	14,871,200,162	1

Reconciliations of the net book values of intangible assets for the years 2021 and 2020 are presented below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Net book value at beginning of year	14,871,200,162	14,878,769,507	1	1
Acquisition of computer software	-	1,986,927	-	-
Amortisation	(8,514,299)	(9,556,272)	-	-
Net book value at end of year	14,862,685,863	14,871,200,162	1	1

Landing rights are tested for impairment together with goodwill due to they are in the same cash-generating unit (CGU).



14. Investment property

Movements of investment property account during the year ended 31 December 2021 are summarised below.

(Unit: Baht)

	Consolidated financial statements
Net book value as at 1 January 2021	-
Transfer from property, building, aircraft, leasehold improvements - net book value as at transfer date	548,226,933
Depreciation	(4,595,177)
Net book value as at 31 December 2021	<u>543,631,756</u>

As at 31 December 2021, the subsidiary has mortgaged its land and buildings constructed thereon with net book value amounting to approximately Baht 543 million (2020: Nil) as collateral against credit facilities received from financial institutions as described in Note 19.

The Group as a lessor

The subsidiary entered into an operating lease agreement for investment properties consisting of building's spaces with a term of 14 years.

Future minimum lease payments required under non-cancellable operating lease agreements as at 31 December 2021 are as follows.

(Unit: Baht)

	2021
In up to 1 year	13,035,120
In over 1 year and up to 5 years	69,846,518
In over 5 years	118,771,668
Total	<u>201,653,306</u>

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	
	2021	2020
Goodwill	8,824,825,803	8,824,825,803
Landing rights	14,856,000,000	14,856,000,000
	<u>23,680,825,803</u>	<u>23,680,825,803</u>

The Company has determined the recoverable amounts of its cash-generating unit based on fair value less costs to sell using market approach to measure fair value. The fair value hierarchy level was classified as a level 1. As at 30 December 2021, the Company had price per book value ratio (P/BV) 3.11.

The management has considered that goodwill and landing rights are not impaired.



16. Other non-current financial assets

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Aircraft and aircraft engine rental deposits - related party	145,308,426	215,776,921
Aircraft and aircraft engine rental deposits - unrelated parties	429,911,662	382,072,936
Rental deposits	74,121,652	73,687,198
Airport operation deposits	34,600,000	34,600,000
Fuel price swap deposits - related party	16,623,450	14,933,700
Fuel deposits	12,798,258	107,914,364
Other deposits	70,288,146	78,616,306
Total other non-current financial assets	783,651,594	907,601,425

17. Short-term borrowings from financial institutions

As at 31 December 2021, short-term borrowings from financial institutions were in the form of promissory notes and carried fixed interest at rates between 2.50 and 2.95 percent per annum (2020: between 2.50 and 2.95 percent per annum).

18. Short-term debentures

As at 31 December 2021, a subsidiary issued short-term unsubordinated and unsecured debentures, issued total of 80,000 units at a price of Baht 1,000 each which carry interest at a rate of 6.75% per annum, which due during the year 2022. No credit rating of this debenture.

19. Long-term borrowings from financial institutions

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Current portion of long-term borrowings from financial institutions	941,863,859	786,682,396
Less: Front end fee	(153,846)	(153,846)
Net current portion of long-term borrowings	941,710,013	786,528,550
Long-term borrowings from financial institutions - net of current portion	3,095,101,683	3,074,320,690
Less: Front end fee	(910,257)	(1,064,103)
Long-term borrowings - net of current portion	3,094,191,426	3,073,256,587
Total long-term borrowings from financial institutions	4,035,901,439	3,859,785,137



Movements of long-term borrowings from financial institutions account during the years 2021 and 2020 are summarised below.

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Balance as at 1 January	3,859,785,137	4,639,479,315
Borrowing during the year	-	847,322,990
Increase from extension of loan repayment period	250,000,000	600,000,000
Amortisation of front end fee	153,846	1,278,765
Repayment of borrowings	(74,037,544)	(48,272,495)
Payments for early termination of long-term borrowings	-	(2,180,023,438)
Balance as at 31 December	4,035,901,439	3,859,785,137

On 23 March 2021, the subsidiary entered into an annotation to a short-term borrowing agreement to defer payment of some principal, with the subsidiary agreeing to make monthly interest payments to the bank. Repayment of the deferred principal amounts is to begin from July 2022, with the final payment to be made within July 2025. The loan agreement contains covenants which, among other things, require the subsidiary to maintain a Debt-Service Coverage Ratio (DSCR) more than the rate prescribed in the agreement, the Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) and payment for outstanding debt in the last installment of the contract at the rate of at least 20% of Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). A bank reviews this ratio on the annual financial statements.

On 24 May 2021, the subsidiary entered into long-term borrowing agreement to defer payment of some principal, with the subsidiary agreeing to make monthly interest payments to the bank. Repayment of the deferred principal amounts is to begin from December 2021, with the final payment to be made within

February 2026. The loan agreement contains covenants which, among other things, require the subsidiary to maintain Net Interest-Bearing Debt-to-Equity Ratio not greater than the rate prescribed in the agreement. A bank reviews this ratio on a semi-annual and an annual basis.

On 22 June 2021, the subsidiary entered into long-term borrowing agreement to defer payment of some principal, with the subsidiary agreeing to make monthly interest payments to the bank. Repayment of the deferred principal amounts is to begin from January 2022, with the final payment to be made within October 2028.

On 27 July 2021, the subsidiary entered into long-term borrowing agreement to defer payment of interest until September 2021. Repayment of the deferred interest amount is to pay with the final payment of principal within February 2026.

On 20 October 2021, the subsidiary entered into a long-term loan agreement, whereby the subsidiary is to defer payments of certain amounts of principal and interest. Repayment of the deferred principal amounts is to begin from March 2022, with the final payment of principal and deferred interest to be made within May 2023.

As of 31 December 2021, the subsidiary had long-term borrowings from several local financial institutions with terms of 2 years and 8 years (2020: 2 years and 9 years). Principal repayments are scheduled in monthly installments and interest is charged at both fixed and floating rates of between 2.50 percent and 6.15 percent per annum (2020: 2.30 percent and 6.15 percent per annum).

The loans are secured by land and construction thereon, and aircrafts of the subsidiary as described in Note 11.

The borrowing agreement contains certain financial covenants relating to matters such as the maintenance of certain net interest bearing debt to equity ratios. As at 31 December 2021, the subsidiary was unable to comply with some of the covenants under the agreements for loans from a bank. However, the subsidiary has already obtained waiver of the covenants from a bank before 31 December 2021.



20. Long-term debentures

As at 31 December 2021 and 2020, the outstanding balance of long-term debentures are summarised below.

(Unit: Baht)

Consolidated financial statements

No.	Series	Maturity date	Maturity date	Par value	Interest rate		Term of interest payment		Book value	
					2021	2020	2021	2020	2021	2020
			(Million units)	(Baht)	(% p.a.)	(% p.a.)				
1/2017	2	Entirely redeemed on 19 May 2022 (5 years)	0.6	1,000	3.28	3.28	Semi-annual	Semi-annual	600,000,000	600,000,000
1/2018	1	Extended the maturity Date to be redeemed by 26 April 2022	1.5	800	6.75	2.56	Semi-annual	Semi-annual	1,200,000,000	1,500,000,000
1/2018	2	Entirely redeemed on 26 June 2023 (5 years)	1.0	1,000	2.95	2.95	Semi-annual	Semi-annual	1,000,000,000	1,000,000,000
Total									2,800,000,000	3,100,000,000
Less: Deferred debenture issuing costs									(847,850)	(1,865,023)
Debenture - net									2,799,152,150	3,098,134,977



(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Current portion of long-term debentures	1,800,000,000	1,500,000,000
Less: Front end fee	(104,582)	(243,055)
Total current portion of long-term debentures - net	1,799,895,418	1,499,756,945
Long-term debentures - net of current portion	1,000,000,000	1,600,000,000
Less: Front end fee	(743,268)	(1,621,968)
Total non-current portion of long-term debentures - net	999,256,732	1,598,378,032
Total long-term debentures	2,799,152,150	3,098,134,977

Long-term debentures are unsubordinated and unsecured in Baht currency with fixed interest rates. Their fair value as at 31 December 2021 amounted to Baht 1,470 million, excluding the below extended Baht 1,200 million tranche of debenture which had no stated fair value of debentures from quoted market prices of the Thai Bond Market Association (2020: Baht 3,007 million).

Movements of long-term debentures account during the years 2021 and 2020 are summarised below.

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Balance as at 1 January	3,098,134,977	4,096,733,618
Repayment of long-term debentures	(300,000,000)	(1,000,000,000)
Amortisation of front end fee	1,017,173	1,401,359
Balance as at 31 December	2,799,152,150	3,098,134,977

On 23 February 2021, the Board of Directors' Meeting of the subsidiary approved the following proposal to amend the terms and conditions of the debentures of the subsidiary No. 1/2018 with a principal of Baht 1,500 million (1.5 million units, Baht 1,000 each), which were matured on 26 June 2021, as detailed below:

1. An extension of the maturity date for 10 months from 26 June 2021 to 26 April 2022, which shall not constitute an event of default.
2. A partial upfront redemption payment of 20 percent on the existing maturity date, 26 June 2021. After payment of the redemption, the debenture principal amount will be reduced to Baht 800 per unit.
3. An increase in the coupon rate from 2.56 percent per annum to 6.75 percent per annum starting from 26 June 2021 until the new maturity date.

On 7 May 2021, the Bondholders' meeting of the subsidiary approved the abovementioned amended terms and conditions. Subsequently, on 26 June 2021, the subsidiary made an upfront redemption equivalent to 20 percent of the outstanding principal or Baht 300 million.



21. Convertible debentures

On 26 November 2021, the Extraordinary General Meeting of the Company passed resolutions approving the issuance and offering of convertible debentures on a private placement basis, unrelated parties of the Company. The total value of the debentures is Baht 2,200 million. The Company entered into a convertible debentures agreement with North Haven Thai Private Equity, L.P. (“NHTPE”) and Bangkok Bank Public Company Limited as terms and conditions below:

Types of convertible debentures	Senior unsecured convertible debentures
Currency	Thai Baht
Conditions of convertible debentures	The issuance of convertible debentures is subject to the completion of the conditions precedent which are permission from the Securities and Exchange Commission and other relevant agencies, including the terms and conditions of the convertible debentures.
Interest rate	None
Tenor	2 years
Number of units	2,200,000 Units
Repayment of Convertible debentures	If the event of default has occurred, the Company shall repay the principal amount of the debenture plus, interest accruing at the rate of 3% per annum from the issue date to the date of payment.
Redemption of Convertible debentures	The Company and the debenture holders shall have no right to early redeem the convertible debentures.
Conversion ratio	Convertible debentures of 0.00175 units shall be converted into 1 shares of the Company.

Conversion Price	THB 1.75 per shares, which is equal to the offering price to the private placement (PP) and existing shareholders in accordance with the proportionated offering (RO).
Period for exercising the Conversion Right	Debentures holders can exercise the right to convert the convertible debentures without limit of times within 2 years from the issuing date of each Convertible debenture or automatically on Maturity date if the debenture has not already been converted.
Number of ordinary shares to support the conversion	1,257,142,857 shares (par value of Baht 0.10 per share)

Thai Accounting Standards 32 “Financial Instruments: Presentation” requires the Company that issued the convertible debentures to present the liability component of the convertible debentures separated from the equity component in statement of financial position. At the issuing date of the debentures, the Company has separated the liability component from the equity component, calculated by discounting the future cash flows of the debenture’s principal and interest at the market rate of interest.

Convertible debentures - the equity component is recognised at the difference between the book value of the convertible debentures as a whole and the liability component of the debentures.

Convertible debentures - the liability component is measured at amortised cost until the conversion date of the debentures or maturity date. The equity component of the debentures, which measured at the issuing date, is not remeasured.



22. Liabilities under lease agreements

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Liabilities under lease agreements	46,092,798,684	34,884,759,523
Less: Deferred interest expenses	(8,617,619,672)	(4,184,175,766)
Total	37,475,179,012	30,700,583,757
Less: Portion due within one year	(5,931,611,067)	(6,025,973,794)
Liabilities under lease agreements - net of current portion	31,543,567,945	24,674,609,963

A maturity analysis of lease payments is disclosed in Note 38.2 under the liquidity risk.

An aircraft lease agreement requires the subsidiary's ability to maintain compliance with the financial covenants as specified in the agreement such as Debt-to-Equity Ratio an annual basis.

Leaseback agreements require the subsidiary's ability to maintain compliance with the financial covenants as specified in the agreement such as

- Demonstrate that it has an aggregate of the total cash and cash equivalents amounts more than the rate prescribed in the agreement
- Maintain a debt to equity ratio more than the rate prescribed in the agreement
- Demonstrate consecutive profitability before tax for the preceding two years

The financial covenants review on semi-annually on 31 March and 31 October of each year which the first occurring on 31 March 2022.

Movements of liabilities under lease agreements account during the year ended 31 December 2021 are summarised below.

(Unit: Baht)

Balance as at 1 January 2021	30,700,583,757
Increase from new lease agreements during the year	1,220,165,427
Increase from lease remeasurements	3,728,108,031
Repayments for liabilities under lease agreements during the year	(1,875,575,572)
Payments for early termination of lease agreements	(923,564,447)
Reduction in lease payments by lessors resulting from the COVID-19 situation	(20,599,335)
Transfer to amounts due to related parties	(366,821,324)
Accretion of interest	1,124,132,714
Impact of exchange rate difference	3,888,749,761
Balance as at 31 December 2021	37,475,179,012

During the year, the subsidiary early terminated 2 aircraft lease agreements (2020: 8 aircraft) for the purpose of entering into the aircraft sale and leaseback transactions as discussed in Note 11.



23. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows.

(Unit: Baht)

	Consolidated financial statements					
	Compensations on employees' retirement		Other long-term employee benefits		Total	
	2021	2020	2021	2020	2021	2020
Provision for long-term employee benefits at beginning of year	712,745,152	566,144,225	136,583,614	100,153,618	849,328,766	666,297,843
Included in profit or loss:						
Current service costs	114,977,177	108,713,055	31,841,765	31,331,858	146,818,942	140,044,913
Interest costs	9,570,929	9,681,148	1,642,008	1,630,873	11,212,937	11,312,021
Actuarial (gain) loss arising from						
- Demographic assumptions change	-	-	-	5,284,527	-	5,284,527
- Financial assumptions changes	-	-	-	1,252,424	-	1,252,424
- Experience adjustments	-	-	-	(3,069,686)	-	(3,069,686)
Included in other comprehensive income:						
Actuarial (gain) loss arising from						
- Demographic assumptions change	10,687,045	12,445,875	3,696,802	-	14,383,847	12,445,875
- Financial assumptions changes	(69,029,386)	27,308,557	(2,868,696)	-	(71,898,082)	27,308,557
- Experience adjustments	(105,279,265)	17,432,301	(44,390,698)	-	(149,669,963)	17,432,301
Benefits paid/ transfer to accrued expenses during the year	(17,737,554)	(28,980,009)	-	-	(17,737,554)	(28,980,009)
Provision for long-term employee benefits at end of year	655,934,098	712,745,152	126,504,795	136,583,614	782,438,893	849,328,766

The subsidiary expects to pay Baht 26 million (2020: Baht 36 million) of long-term employee benefits during the next year.

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 13 years (2020: 14 years).



Significant actuarial assumptions are summarised below.

(Unit: % p.a.)

	Consolidated financial statements	
	2021	2020
Discount rate	2.18	1.42
Salary increase rate	4.00	4.00
Turnover rate	0.00 - 7.00	0.00 - 8.00

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Baht)

	2021		2020	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(81,973,771)	98,312,612	(94,051,294)	113,402,369
Salary increase rate	89,370,205	(75,741,487)	106,016,184	(89,222,793)
Turnover rate	(87,682,738)	74,056,705	(100,240,111)	89,761,739

24. Share capital

On 15 August 2021, the Board of Directors' Meeting of the Company No. 6/2021 passed a resolution to increase the registered capital from Baht 485 million to Baht 1,285 million, through the issuance of 8,000,000,000 ordinary shares with a par value of Baht 0.1 each, total amounting to Baht 800 million. The company has received 5,028,571,429 shares in amounting to Baht 8,800 million. The share capital increase of the Company was registered with the Ministry of Commerce on 15 December 2021. The difference between fair value and par value of Baht 8,297 million was presented as share premium in the financial statements.

According to the offering of newly issued ordinary shares of the Company to Private Placement total of 5,028,571,429 shares, which shall be prohibited to trade on the Stock Exchange of Thailand for 1 year and will be due on 16 December 2022. The 2,257,000,000 shares of the Company have been pledged as collateral for loan with financial institution and the shares cannot be redeemed until the loan is fully repaid.

Reconciliation of number of share capital

	Consolidated and Separate financial statements			
	2021		2020	
	Unit	Baht	Unit	Baht
Registered share capital				
At beginning of year	4,850,000,000	485,000,000	4,850,000,000	485,000,000
Increase	8,000,000,000	800,000,000	-	-
At end of year	12,850,000,000	1,285,000,000	4,850,000,000	485,000,000
Issued and paid-up share capital				
At beginning of year	4,850,000,000	485,000,000	4,850,000,000	485,000,000
Increase	5,028,571,429	502,857,143	-	-
At end of year	9,878,571,429	987,857,143	4,850,000,000	485,000,000

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Group is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.



26. Revenues from sales and services

Revenues from sales and services for the years 2021 and 2020 disaggregated by timing of revenue recognition and type of goods or services are summarised below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Revenue recognised over time				
Passenger service revenues	3,174,234,548	11,123,443,178	-	-
Baggage handling and other service fees	464,074,177	1,902,823,517	-	-
Freight revenues	109,334,307	146,423,872	-	-
Charter flight revenues	16,315,004	252,916,282	-	-
Advertising income	2,765,160	7,273,723	-	-
Management fee	-	-	25,000,000	25,000,000
Revenue recognised at a point in time				
In-flight revenues	61,745,300	200,987,547	-	-
Total revenues	3,828,468,496	13,633,868,119	25,000,000	25,000,000

27. Other income

(Unit: Baht)

	Consolidated financial statements		Separated financial statements	
	2021	2020	2021	2020
Gain on disposals of aircraft and leasehold improvements (Note 11)	-	1,331,760,870	-	-
Gain on exchange	-	545,634,581	-	-
Gain on derivatives	391,178,124	-	-	-
Others	288,574,971	726,075,228	709,682	1,000,000
Total	679,753,095	2,603,470,679	709,682	1,000,000



28. Expenses by nature

Significant expenses classified by nature are as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Depreciation and amortisation expenses	5,434,313,781	6,355,024,847	-	177
Salaries, wages and other employee benefits	2,131,972,635	4,128,152,907	4,493,000	7,325,000
Repair and maintenance expenses	1,608,697,839	1,899,876,069	-	-
Fuel costs	1,406,233,633	6,398,727,595	-	-
Ramp and airport operating costs	331,334,467	1,195,083,877	-	-

29. Other expense

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Loss on disposals of aircraft, leasehold improvements and equipments (Note 11)	43,458,639	-
Loss on exchange	3,654,374,872	-
Loss on expected credit losses	202,144,095	185,403,987
Loss on derivatives	-	37,190,862
Loss on impairment of right-of-use assets	-	1,415,961,457
Total	3,899,977,606	1,638,556,306



30. Finance cost

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Interest expense on lease liabilities	1,375,334,235	1,362,796,230	-	-
Interest expense on borrowings	358,023,889	224,604,496	83,422,603	-
Interest expense from derivatives designated as hedging	53,304,271	15,606,896	-	-
Others	112,151,053	196,774,325	3,934,785	-
Total	1,898,813,448	1,799,781,947	87,357,388	-

31. Income tax

Income tax (revenue) expense for the years ended 31 December 2021 and 2020 are made up as follows.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge for the year	1,026,949	1,553,271	1,026,949	1,553,271
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,742,093,654)	(661,531,196)	(6,408,400)	-
Income tax (revenue) expense reported in profit or loss	(1,741,066,705)	(659,977,925)	(5,381,451)	1,553,271



The amounts of income tax relating to each component of other comprehensive income for the years 2021 and 2020 are as follows.

(Unit: Baht)

	Consolidated financial statements	
	2021	2020
Gain (loss) on cash flow hedges	42,915,844	(1,027,855)
Net change in cost of cash flow hedges	(335,889)	4,393,363
Actuarial gain (loss)	41,436,840	(11,437,347)
Income tax (revenue) expense recorded in other comprehensive income	84,016,795	(8,071,839)

The reconciliation between accounting profit (loss) and income tax (revenue) expense is shown below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Accounting profit (loss) before tax	(13,699,015,133)	(9,326,906,604)	(132,683,558)	7,595,655
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(2,739,803,026)	(1,865,381,321)	(26,536,712)	1,519,131
Reversal of previously recognised deferred tax assets	101,622,629	69,133,516	-	-
Tax losses for the year for which deferred tax assets were not recognised	20,685,940	-	20,685,940	-
Effects of:				
Promotional privileges (Note 32)	846,822,081	1,239,017,701	-	-
Non-deductible expenses	23,531,640	278,519,431	469,321	34,140
Revenue subject to tax	6,074,031	6,344,357	-	-
Change in the accounting policy	-	(387,611,609)	-	-
Total	876,427,752	1,136,269,880	469,321	34,140
Income tax (revenue) expense reported in profit or loss	(1,741,066,705)	(659,977,925)	(5,381,451)	1,553,271



The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Deferred tax assets				
Leases	961,023,044	25,769,687	-	-
Derivatives				
Interest rate swap agreements	8,031,756	25,036,752	-	-
Foreign exchange forward contracts	1,731,587	51,995,870	-	-
Cross currency swap agreements	3,962,262	44,816,969	-	-
Provision for long-term employee benefits	145,821,982	152,751,956	-	-
Unused tax losses	1,519,743,303	693,098,893	6,408,400	-
Total	2,640,313,934	993,470,127	6,408,400	-
Deferred tax liabilities				
Fair value of assets from business combination	(2,971,491,800)	(2,982,724,853)	-	-
Total	(2,971,491,800)	(2,982,724,853)	-	-
Net deferred tax assets (deferred tax liabilities)	(331,177,866)	(1,989,254,726)	6,408,400	-

As at 31 December 2021, the Group has deductible temporary differences and unused tax losses totaling Baht 7,287 million (2020: Baht 6,606 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

The unused tax losses of the subsidiary which deferred tax assets have been recognised amounting to Baht 7,599 million (2020: Baht 3,465 million) will expire by 2026 (2020: 2025).



32. Promotional privileges

As at 31 December 2021, the subsidiary received 7 certificates (2020: 9 certificates) of promotional privileges from the Board of Investment (“BOI”) for 13 aircraft (2020: 39 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 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 2021, the subsidiary had 13 aircraft (2020: 32 aircraft) under such certificates of promotional privileges from the BOI.

33. Earnings (loss) per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings (loss) per share for the year ended 31 December 2021 and 2020.

	Consolidated financial statements					
	For the years ended 31 December					
	Loss for the year		Weighted average number of ordinary shares		Loss per share	
	2021	2020	2021	2020	2021	2020
(Baht)	(Baht)	(Share)	(Share)	(Baht)	(Baht)	
Basic loss per share						
Loss attributable to equity holders of the Company	(6,647,485,706)	(4,764,092,099)	5,119,512,529	4,850,000,000	(1.2985)	(0.9823)
Effect of dilutive potential ordinary shares						
Convertible debenture	-	-	60,430,528	-		
Diluted loss per share						
Loss attributable to ordinary shareholders assuming the conversion to ordinary shares	(6,647,485,706)	(4,764,092,099)	5,179,943,057	4,850,000,000	(1.2833)	(0.9823)



	Separate financial statements					
	For the years ended 31 December					
	Profit (loss) for the year		Weighted average number of ordinary shares		Earnings (loss) per share	
	2021	2020	2021	2020	2021	2020
(Baht)	(Baht)	(Share)	(Share)	(Baht)	(Baht)	
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	(127,302,107)	6,042,384	5,119,512,529	4,850,000,000	(0.0249)	0.0012
Effect of dilutive potential ordinary shares						
Convertible debenture	-	-	60,430,528	-		
Diluted earnings (loss) per share						
Profit (loss) attributable to ordinary shareholders assuming the conversion to ordinary shares	(127,302,107)	6,042,384	5,179,943,057	4,850,000,000	(0.0246)	0.0012

34. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors that makes strategic decisions.

For management purposes, the Group is organised into business units based on its services and have two reportable segments as follows:

- Schedule flight operations: the Group provides passenger air transportation services to routine destination for scheduled flight. The Group sells tickets through its distribution channels such as website, sale counter, travel agents, etc.

- Chartered flight operations: the Group provides passenger air transportation services to non-routine destinations. Flights are operated when there is a hiring from customers who normally are tourist agency companies.

Performance of each operating segment is measured by profit or loss from operation which is using the same basis that the Group measures its profit or loss from operation in the financial statements. Net gain on exchange rates, other income, finance cost and income tax are not allocated to each reporting segment.

The Group's total assets are joint assets that are used among segment. Hence, they are not allocated to each reporting segment.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.



Revenues and loss information regarding the Group's operating segments for the years 2021 and 2020 are as follows.

(Unit: Baht)

	Consolidated financial statements					Consolidated
	Scheduled flight operations	Charter flight operations	Other segments	Total segments	Adjustments and eliminations	
For the year ended 31 December 2021						
Revenues						
Revenues from sales and services from external customers	3,811,625,172	16,843,324	-	3,828,468,496	-	3,828,468,496
Intersegment revenues	-	-	25,000,000	25,000,000	(25,000,000)	-
Total revenues	3,811,625,172	16,843,324	25,000,000	3,853,468,496	(25,000,000)	3,828,468,496
Operating result						
Segment loss	(8,495,678,924)	(31,797,106)	(102,897,794)	(8,630,373,824)	-	(8,630,373,824)
Other income						679,753,095
Other expense						(3,899,977,606)
Finance income						50,396,650
Finance costs						(1,898,813,448)
Loss before income tax						(13,699,015,133)
Income tax revenue						1,741,066,705
Loss for the year						(11,957,948,428)
Total assets						71,208,329,515



(Unit: Baht)

	Consolidated financial statements					Consolidated
	Scheduled flight operations	Charter flight operations	Other segments	Total segments	Adjustments and eliminations	
For the year ended 31 December 2020						
Revenues						
Revenues from sales and services from external customers	13,380,951,837	252,916,282	-	13,633,868,119	-	13,633,868,119
Intersegment revenues	-	-	25,000,000	25,000,000	(25,000,000)	-
Total revenues	13,380,951,837	252,916,282	25,000,000	13,658,868,119	(25,000,000)	13,633,868,119
Operating result						
Segment profit (loss)	(8,005,540,368)	(516,676,961)	6,559,491	(8,515,657,838)	-	(8,515,657,838)
Other income						2,603,470,679
Other expenses						(1,638,556,306)
Finance income						23,618,808
Finance costs						(1,799,781,947)
Loss before income tax						(9,326,906,604)
Income tax revenue						659,977,925
Loss for the year						(8,666,928,679)
Total assets						67,977,672,329



Geographic information

The Group operates and has operating hubs only in Thailand. As a result, all the revenues and assets as reflected in the financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2021 and 2020, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

35. Provident fund

The subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the subsidiary contribute to the fund monthly and the fund will be paid to employees upon termination in accordance with the fund of the subsidiary's rule. The contributions for the year 2021 amounting to approximately Baht 56 million (2020 Baht 125 million) were recognised as expenses.

36. Commitments and contingent liabilities

36.1 Building construction commitments

As at 31 December 2021, the subsidiary had capital commitments of Baht 34 million (2020 Baht 156 million), relating to the construction of a project's building.

36.2 Aircraft maintenance service commitments

The subsidiary has commitments under aircraft maintenance service agreements made with 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.

36.3 Service commitments

As at 31 December 2021, the subsidiary had significant service commitments as follows.

- 1) The subsidiary had commitments from using human resource, legal and other services rendered by AirAsia SEA Limited which is a related company. The subsidiary was to pay the fees at the agreed rates. During the period ended 31 December 2021, the fees under this agreement amounted to Baht 397 million.
- 2) The subsidiary had a commitment from using marketing, booking system and other services rendered by AirAsia Com Travel Sdn. Bhd., which is a related company. The subsidiary was to pay the fees depending on the rates stipulated in the agreements. During the period ended 31 December 2021, the fees under this agreement amounted to Baht 136 million.
- 3) The subsidiary had a commitment from using data consultancy and management services rendered by AirAsia Digital Sdn. Bhd. and AirAsia Technology Centre Singapore Pte. Ltd., which are related companies. The subsidiary was to pay the fees at the agreed rates.

36.4 Other commitments

The subsidiary had the future minimum lease payments in respect of non-cancellable space, office, office equipment and ground support equipment leases and other service agreements as follows.

	(Unit: Baht)	
	2021	2020
Payable:		
In up to 1 year	79,645,257	138,589,950
In over 1 year and up to 5 years	3,296,059	413,785
Total	82,941,316	139,003,735



36.5 Guarantees

- 1) As at 31 December 2021, the subsidiary had guarantee obligations for pilot trainees' education loans from a bank for commercial pilot license courses amounting to Baht 14 million (2020: Baht 14 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, purchase of aviation fuel and other flight operating activities including maintenance reserve fund in the ordinary course of business as follows.

(Unit: Million)

	Consolidated financial statement							
	2021				2020			
	USD	SGD	INR	Baht	USD	SGD	INR	Baht
Guarantees relating to flight operating activities	0.09	1.04	63.78	16.01	0.72	1.04	81.82	14.99
Guarantees relating to maintenance reserve fund	37.31	-	-	-	47.54	-	-	-
Total	37.40	1.04	63.78	16.01	48.26	1.04	81.82	14.99
Total equivalent to Thai Baht	1,256.42	26.10	29.88	16.01	1,457.64	23.94	35.66	14.99

- 3) The subsidiary had commitments to guarantee loans of the Company as discuss in Note 1.1.

36.6 Litigations

As 31 December 2021, the subsidiary was served with summons and copies of complaints in 28 civil lawsuits over terminations and breaches of contract, whereby the subsidiary was required to pay a compensation amounting to Baht 6 million. Currently, the court proceedings are at a preliminary stage. However, the subsidiary's management believed that all the evidence available will enable it to dispute the claims and did not set up any provisions.



37. Fair values hierarchy

As at 31 December 2021 and 2020, 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			
	2021		2020	
	Contract currency		Contract currency	
	USD	Baht	USD	Baht
Liabilities measured or disclosed fair value				
Derivatives				
Fuel price swap agreements	-	-	175,109,193	-
Interest rate swap agreements	28,545,022	21,483,532	83,004,185	75,867,711
Foreign exchange forward contracts	-	-	320,025,966	-
Cross currency swap agreements	41,592,131	-	265,127,444	-
Long-term borrowings from financial institutions	-	4,035,901,439	-	3,859,785,137
Long-term debentures	-	1,469,767,246*	-	3,006,584,061

* Excluded extended Baht 1,200 million tranche of debenture which had no stated fair value of debentures from quoted market prices of the Thai Bond Market Association, as discussed in Note 20.

During the years 2021 and 2020, there were no changes in the methods and the assumptions used to estimate the fair value of financial instruments and there were no transfers within the fair value hierarchy.



38. Financial instruments

38.1 Derivatives and hedge accounting

The Company is holding the following derivatives as hedging instruments as at 31 December 2021 and 2020:

(Unit: Million Baht)

	Consolidated financial statements	
	2021	2020
Derivative liabilities		
Derivatives liabilities designated as hedging instruments		
Fuel price swap agreements	-	175
Interest rate swap agreements	50	159
Foreign exchange forward contracts	-	320
Cross currency swap agreements	42	265
Total derivative liabilities	92	919

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk

The Group entered into hedging instruments to hedge cash flows on fixed-rate debt denominated in foreign currencies. These are defined as a combined hedge of currency risk and interest rate risk. Forecast transactions are highly probable and they comprise about 31% (2020: 12%) of the Group's total expected lease liabilities in US dollars.

The Group also uses cross currency swaps as hedging instruments to hedge cash flows on fixed-rate debt denominated in foreign currencies. These are defined as a combined hedge of currency risk and interest rate risk.

Fuel price risk

In 2020, the Group entered into Brent fixed swap contract which represents average of 20% of the Group's total expected fuel volume for the financial year 2021. This is to hedge against the fuel price risk. Hedging the price volatility of forecast fuel consumption is in accordance with the risk management strategy outlined by the Group's Board of Directors. During the year 2021, the Group has canceled the contract.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange and commodity forward contracts match those of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the foreign exchange and commodity forward contracts are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Different indexes and accordingly different curves linked to the hedged risk of the hedged items and hedging instruments
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments



Interest rate risk

The Group entered into interest rate swap agreements to hedge against fluctuations in the floated interest rate from aircrafts' leases. The Group hedged at fixed rates from 2.24% to 4.86% per annum (2020: 2.24% to 4.86% per annum) via cross currency swap agreements and interest rate swap agreements.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the fixed rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 as the underlying risk of the interest rate swap is identical to the hedged risk component.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the interest rate curves applied to discount the hedged item and hedging instrument
- Differences in the timing of cash flows of the hedged item and hedging instrument

Impacts of interest rate benchmark reform

The Group has exposure in relation to the replacement or reform of the benchmark InterBank Offered Rates ("IBORs") of its financial instruments since there is uncertainty over the timing and the methods of transition in some jurisdictions in which the Group operates. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group applies temporary exceptions which enable entities to continue applying hedge accounting during the period of uncertainty. Specifically, the temporary exceptions state that for the purpose of determining whether a forecast transaction is highly probable for cash flow hedges, it is assumed that the benchmark interest rate on which the hedged cash flows are based is unchanged as a result of IBOR reform.

The management monitors and manages the Group's transition to alternative benchmark rates. The Management evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

As at 31 December 2021, the Group has interest rate swaps with nominal amounts of USD 63 million, that are designated as hedging instruments to hedge cash flows on loans that carry interest at floating rates based on USD LIBOR and mature in 2027.



The Group is holding the following derivatives as hedging instruments as at 31 December 2021 and 2020:

	Consolidated financial statements			
	Maturity			
	Less than 1 year	1 to 5 years	More than 5 years	Total
For the year ended 31 December 2021				
Cross currency swap agreements (for lease liabilities)				
Notional amount (Million US dollar)	7	25	6	38
Average fixed rate (%)		2.64 - 3.74		
Average exchange rate (Baht/US dollar)		33.10 - 34.00		
Interest rate swap agreements (for lease liabilities)				
Notional amount (Million US dollar)	16	47	-	63
Average fixed rate (%)		2.24 - 4.21		
Notional amount (Million Baht)	235	431	-	666
Average fixed rate (%)		4.69 - 4.86		
Book value (Million Baht)	321	903	-	1,224
For the year ended 31 December 2020				
Foreign exchange forward contracts (for lease liabilities)				
Notional amount (Million US dollar)	20	77	7	104
Average forward rate (Baht/US dollar)		30.60 - 33.73		
Fuel price swap agreements (for highly probable forecast purchases)				
Notional amount (in barrel)	524,885	-	-	524,885
Notional amount (Million US dollar)	6	-	-	6
Average hedged rate (US dollar /barrel)		62.25		



	Consolidated financial statements			
	Maturity			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Cross currency swap agreements (for lease liabilities)				
Notional amount (Million US dollar)	7	27	10	44
Average fixed rate (%)		2.64 - 3.74		
Average exchange rate (Baht/US dollar)		30.10 - 34.00		
Interest rate swap agreements (for lease liabilities)				
Notional amount (Million US dollar)	16	58	3	77
Average fixed rate (%)		2.24 - 4.21		
Notional amount (Million Baht)	334	1,075	46	1,455
Average fixed rate (%)		4.60 - 4.86		
Book value (Million Baht)	389	1,883	33	2,305

The impact of hedged items on the statement of financial position as at 31 December 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements							
	Cash flow hedge reserve							
	Change in fair value used for measuring ineffectiveness		Continuing hedges		Discontinued hedges		Cost of hedging reserve	
	2021	2020	2021	2020	2021	2020	2021	2020
Liabilities under lease agreements	123	(42)	(43)	(44)	(73)	(159)	5	6
Fuel purchases	-	-	-	(175)	-	-	-	-



The impact of the hedging instruments on the statement of financial position as at 31 December 2021 and 2020, the effect of the cash flow hedge in the statement of comprehensive income for the years ended 31 December 2021 and 2020 are, as follows:

(Unit: Million Baht)

Consolidated financial statements										
	Notional amounts (Million US dollar)	Notional amounts (Million Baht)	Carrying amount	Changes in fair value used for measuring Ineffectiveness	Effectiveness recognised in equity	Ineffectiveness recognised in profit or loss	Line item in profit or loss	Cost of hedging recognised in equity	Amount of cash flow hedge reserve reclassified to profit or loss	Line item in profit or loss
For the year ended 31 December 2021										
Foreign exchange forward contracts - hedge the risk arising from lease liabilities	-	-	-	210	74	(75)	Other expenses	-	-	Finance costs
Cross currency swap agreements - hedge the risk arising from lease liabilities	38	-	(42)	66	92	(58)	Other expenses	5	(121)	Finance costs
Interest rate swap agreements - hedge the risk arising from lease liabilities	63	666	(50)	94	(21)	(32)	Other expenses	-	25	Finance costs
Total	101	666	(92)	370	145	(165)		5	(96)	
For the year ended 31 December 2020										
Foreign exchange forward contracts - hedge the risk arising from lease liabilities	105	-	(320)	9	(51)	(60)	Gain on exchange	-	79	Gain on exchange
Fuel price swap agreements - hedge the risk arising from fuel purchases	33	-	(175)	-	(175)	-	Cost of sales and services	-	-	
Cross currency swap agreements - hedge the risk arising from lease liabilities	44	-	(265)	(23)	(155)	(62)	Gain on exchange and Finance costs	6	120	Gain on exchange and Finance costs
Interest rate swap agreements - hedge the risk arising from lease liabilities	77	1,455	(159)	(28)	(33)	(48)	Finance costs	-	7	Finance costs
Total	259	1,455	(919)	(42)	(414)	(170)		6	206	



38.2 Financial risk management objectives and policies

Financial Instruments principally comprise cash and cash equivalents, trade and other receivables, amounts due from related parties, trade payables, other payables, amounts due to related parties, short-term borrowings from financial institutions, short-term debentures, long-term borrowings from financial institutions, long-term debentures, lease liabilities, and derivatives. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to cash at banks trade receivables, aircraft deposit and other financial instruments. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group 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.

The Group manages the credit risk by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors. The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group generally has no concentration of credit risk arising from trade receivables.

Market risk

There are 3 types of market risk comprising fuel price risk, interest rate risk and currency risk. The Company enters into a variety of derivatives to manage its risk exposure, including:

- Fuel price swap agreements to mitigate the risk of fuel price fluctuation
- Interest rate swaps to mitigate the risk of rising interest rates
- Cross currency swaps to mitigate the risk of rising interest rates and foreign currency rates

Fuel price risk

Fuel price fluctuation depends on supply and demand of global economic situation and political uncertainty worldwide. Fuel price has direct impact on the Group's operating results as fuel plays a vital factor in airline industry.

The Group has implemented jet fuel price hedging in order to reduce the risk of fuel price volatility, to protect the value of the Group for shareholders and all concerned and is not to be treated as a profit-marking venture.

The Group 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 Group.

As at 31 December 2021, no obligation from fuel price hedging of the Group (2020: Baht 175 million).

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings from financial institutions, short-term debentures, long-term borrowings from financial institutions, long-term debentures and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group uses interest rate swap agreements as a risk management instrument for the future interest payments on certain long-term borrowings and lease liabilities that carry interest at floating rates.



As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below.

(Unit: Million Baht)

	Consolidated financial statement				
	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
For the year ended 31 December 2021					
Financial assets					
Cash and cash equivalents	-	5,340	20	5,360	0.10 - 0.25
Trade and other receivables	-	-	563	563	-
Amounts due from related parties	-	-	1,095	1,095	-
Other current financial assets	-	199	117	316	3.68 - 5.72
Other non-current financial assets	-	577	207	784	2.65 - 7.23
	-	6,116	2,002	8,118	
Financial liabilities					
Short-term borrowings from financial institutions	750	-	-	750	2.50 - 2.95
Short-term debenture	79	-	-	79	6.75
Trade payables	-	-	989	989	-
Other payables	-	-	852	852	-
Amounts due to related parties	-	-	1,306	1,306	-
Long-term borrowings from financial institutions	1,886	2,150	-	4,036	2.90 - 6.15
Long-term debentures	2,800	-	-	2,800	2.95 - 6.75
Liabilities under lease agreements	34,564	2,911	-	37,475	0.91 - 8.37
	40,079	5,061	3,147	48,287	



(Unit: Million Baht)

Consolidated financial statement

	Fixed interest rates	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
For the year ended 31 December 2020					
Financial assets					
Cash and cash equivalents	-	784	326	1,110	0.10 - 0.70
Trade and other receivables	-	-	284	284	-
Amounts due from related parties	-	-	816	816	-
Other non-current financial assets	-	906	-	906	3.07 - 4.60
	-	1,690	1,426	3,116	
Financial liabilities					
Short-term borrowings from financial institutions	1,000	-	-	1,000	2.50 - 2.95
Other payables	-	-	1,048	1,048	-
Amounts due to related parties	-	-	3,060	3,060	-
Long-term borrowings from financial institutions	2,364	1,496	-	3,860	2.30 - 6.15
Long-term debentures	3,098	-	-	3,098	2.56 - 3.28
Liabilities under lease agreements	26,728	3,973	-	30,701	0.96 - 5.81
	33,190	5,469	4,108	42,767	

*Interest rate sensitivity*

The following table demonstrates the sensitivity of the Group's profit (loss) before tax and equity to a reasonably possible change in interest rates on that portion of floating rate affected as at 31 December 2021 and 2020, with all other variables held constant.

Currency	Increase/ decrease (decimal)		Effect on profit (loss) before tax (Thousand Baht)		Effect on equity (Thousand Baht)	
	2021	2020	2021	2020	2021	2020
Baht	+ 0.6	+ 0.6	6,239	1,655	-	-
	- 0.6	- 0.6	(6,239)	(1,655)	-	-
US dollar	+ 0.6	+ 0.6	339	59	7	62
	- 0.6	- 0.6	(339)	(59)	(7)	(62)

This information is not a forecast or prediction of future market conditions and should be used with care.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from cash and cash equivalents, trade and other receivables, amounts due from related parties, account payables, other payables, amounts due to related parties and lease liabilities that are denominated in several foreign currencies.

The Group has a natural hedge to the extent that payments for foreign currency payables are matched against receivables denominated in the same foreign currency. Moreover, the Group uses forward foreign exchange contract to hedge its exposure to foreign currency risk for payments to be settled in foreign currencies.

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit (loss) before tax and equity to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit (loss) before tax and equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase/ decrease (%)		Effect on profit (loss) before tax (Thousand Baht)		Effect on equity (Thousand Baht)	
	2021	2020	2021	2020	2021	2020
US dollar	+ 5	+ 5	1,831,383	80,730	167,273	238,305
	- 5	- 5	(1,831,383)	(80,730)	(167,273)	(238,305)

This information is not a forecast or prediction of future market conditions and should be used with care.

**Liquidity risk**

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
For the year ended 31 December 2021					
Non-derivatives					
Short-term loans from financial institutions	-	750	-	-	750
Short-term debentures	-	80	-	-	80
Trade and other payables	1,841	-	-	-	1,841
Amounts due to related parties	1,306	-	-	-	1,306
Accrued expenses	2,462	-	-	-	2,462
Long-term loans	-	942	2,697	397	4,036
Debentures	-	1,800	999	-	2,799
Liabilities under lease agreements	-	5,932	14,927	16,617	37,476
Total non-derivatives	5,609	9,504	18,623	17,014	50,750
Derivatives					
Derivative liabilities: net settled	-	23	63	6	92
Total derivatives	-	23	63	6	92



(Unit: Million Baht)

Consolidated financial statements					
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
For the year ended 31 December 2020					
Non-derivatives					
Short-term loans from financial institutions	-	1,000	-	-	1,000
Trade and other payables	1,049	-	-	-	1,049
Amounts due to related parties	3,060	-	-	-	3,060
Accrued expenses	1,719	-	-	-	1,719
Long-term loans	-	786	2,410	664	3,860
Long-term debentures	-	1,500	1,598	-	3,098
Lease liabilities	-	6,026	16,346	8,328	30,700
Total non-derivatives	5,828	9,312	20,354	8,992	44,486
Derivatives					
Derivative liabilities: net settled	-	310	514	95	919
Total derivatives	-	310	514	95	919

38.3 Fair values of financial instruments

The financial instruments which the fair value is not expected to be materially different from the amounts presented in the statement of financial position since they are short-term in nature or carrying interest at rates close to the market interest rates are cash and cash equivalents, trade and other receivables, amounts due from related parties, trade payables, other payables, amounts due to related parties and short-term borrowings from financial institutions.



As at 31 December 2021 and 2020, the estimated fair value of long-term financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows.

(Unit: Million Baht)

	Consolidated financial statements			
	2021		2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Long-term borrowings from financial institutions	4,036	4,036	3,860	3,860
Long-term debentures	2,799	1,470*	3,098	3,007

* Excluded extended Baht 1,200 million tranche of debenture which had no stated fair value of debentures from quoted market prices of the Thai Bond Market Association, as discussed in Note 20.

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows.

- For long-term borrowings from financial institutions carrying fixed interest rates, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the borrowings with similar terms and conditions.
- For long-term borrowings from financial institutions carrying floating interest rates, their fair value is estimated by book values in the statement of financial position.
- For long-term debentures, fair value is derived from quoted market prices of the Thai Bond Market Association.

During the current year, there were no transfers within the fair value hierarchy.

38.4 Offsetting of financial instruments

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements or similar agreements but not offset, as at 31 December 2021 and 2020

(Unit: Million Baht)

	Consolidated financial statements		
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position
As at 31 December 2021			
Amounts due from related parties	1,475	(380)	1,095
Amounts due to related parties	(1,740)	434	(1,306)
	(265)	54	(211)
As at 31 December 2020			
Amounts due from related parties	874	(58)	816
Amounts due to related parties	(4,272)	1,212	(3,060)
	(3,398)	1,154	(2,244)

Gross amounts not offset in the statement of financial position reflect amounts subject to conditional offsetting arrangements.

39. Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



In order to obtain the promotional privileges from the Board of Investment, the Group has also to maintain minimum capital investment as specified in each certificate.

40. Reclassifications

The Group reclassified certain amounts in the statement of comprehensive income for the year ended 31 December 2020 to conform to the current year's classification, as follows.

(Unit: Baht)

	Consolidated financial statements	
	For the year ended 31 December 2020	
	As reclassified	As previously reported
Administrative expenses	868,159,737	1,053,563,724
Other expenses	1,638,556,306	1,453,152,319

The reclassification had no effect to previously reported loss or shareholders' equity.

41. Event after the reporting period

41.1 Sales and leaseback aircraft

On 13 August 2021, the Board of Directors' meeting of the Group passed a resolution to approve the entering into the aircraft sale and leaseback transaction for 7 aircraft and aircraft lease transaction with two companies in other country. As at 23 February 2022, the Group has delivered and received 5 aircraft according to sale and leaseback agreement.

41.2 Group capital restructuring

On 26 November 2021, the Board of Directors' Meeting of the Company passed a resolution to increase its registered capital and offer newly issued shares to existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering), at the offering price of Baht 1.75 per share, in total of

1,714,285,714 shares. The total value is Baht 3,000 million. The share capital increase of the Company was registered with the Ministry of Commerce on 19 January 2022.

On 21 January 2022, the Company purchased the remaining 30.77 percent of the shares of the subsidiary from other shareholders of Baht 198.98 per share, in total of 19,600,000 shares with the total value of Baht 3,900 million

On 24 January 2022, the Board of Directors' Meeting of the subsidiary passed a resolution to increase its registered capital from Baht 637 million to Baht 946 million through the issuance of 30,946,978 ordinary shares of Baht 193.88 per share (par value of Baht 10 each), total amounting to Baht 6,000 million. The subsidiary was registered the increasing in share capital with the Ministry of Commerce on 17 February 2022.

41.3 Loan Amendment

On 31 January 2022, the subsidiary entered into an annotation to a long-term borrowing agreement to defer payment of some principal. Repayment of the deferred principal amounts is to begin from July 2022, with the final payment to be made within July 2025.

41.4 Investment in newly issued ordinary shares of related company

On 23 February 2022, the Board of Directors' meeting of the subsidiary passed a resolution to approve the investment in newly issued ordinary shares of AirAsia Super App Sdn. Bhd., a company registered in Malaysia, in total amount of 39,267,972 shares, with a par value of Ringgit 0.01 per share (or equivalent to approximately of Baht 0.077 per share). However, the success of this investment depends on the resolution from the shareholder of AirAsia Super App Sdn. Bhd.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 February 2022.



GRI CONTENT INDEX

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		403-2	Hazard identification, risk assessment, and incident investigation	90-94	Health and Safety	
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		403-4	Worker participation, consultation, and communication on occupational health and safety	90-94	Health and Safety	
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		403-6	Promotion of worker health	90-94	Health and Safety	
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90-94	Health and Safety	
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