BANGKOK AVIATION FUEL SERVICES

ANNUAL REPORT 2019

BANGKOK AVIATION FUEL SERVICES PUBLIC COMPANY LIMITED

CONTENT

05 Message from President

06 Financial Highlights

07 General Information

09 Corporate Awards and Recognition in 2019

10 Organization Chart of BAFS

12 Board of Directors

22 Management Team

29 Policy and Business Overview

32 Performance Summary of Year 2019

35 Summary of Key Changes in Business Characteristics

49 Into-Plane Service Industry and Competition

55 Future Operation Plan

57 Risk Management and Risk Factors

62 Shareholding and Management Structures

74 Corporate Governance

115 Report of Subcommittees

121 Social Responsibility

123 Management Discussion and Analysis For the Operating Results ended December 31, 2019

128 Report on the Board of Directors' Responsibilities towards the Annual Financial Statements 2019

129 Financial Statement Report

188 Report of the Audit Committee for the Year 2019

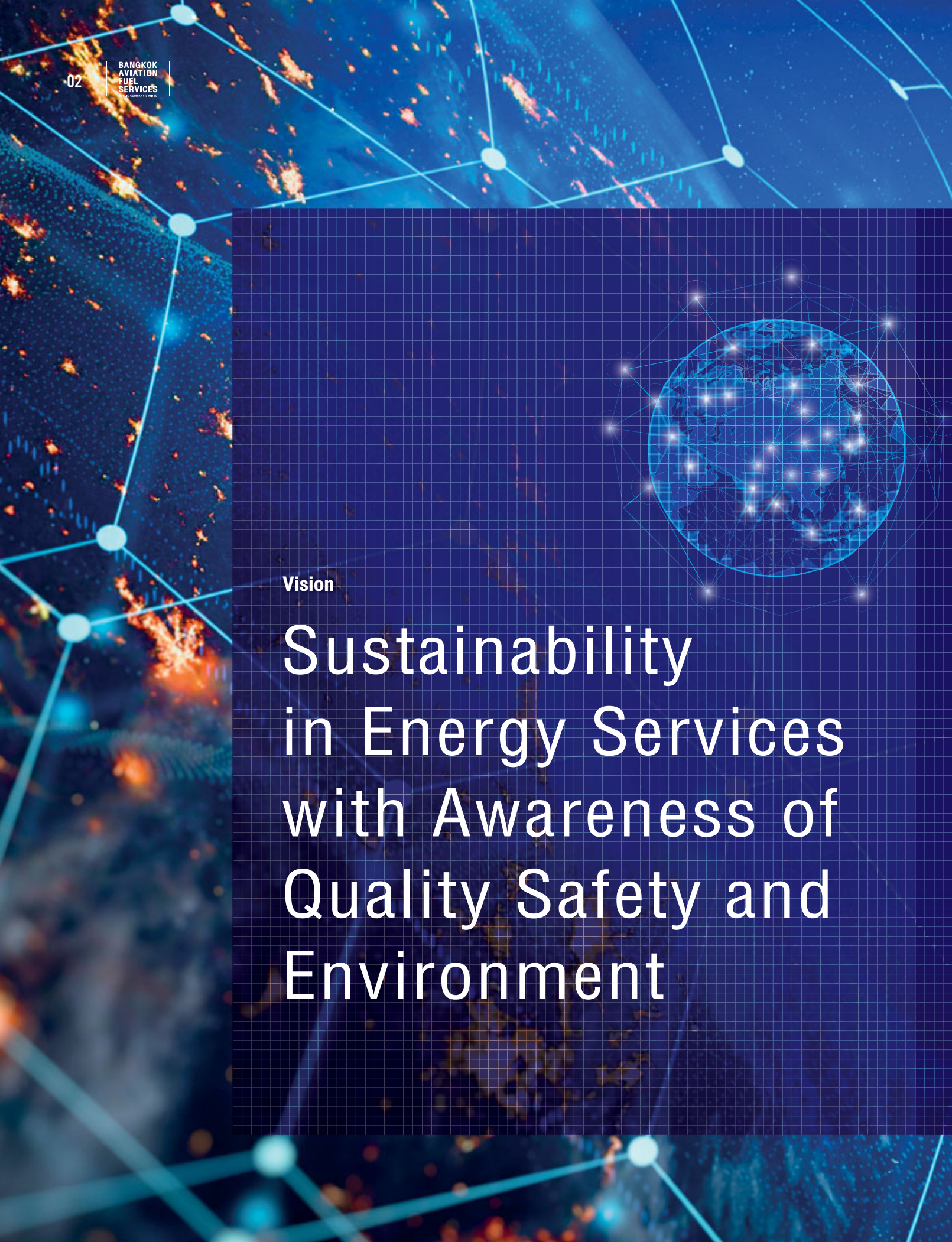
191 Summary of Opinions Concerning Internal Control System for the Year 2019

198 Connected Transactions

218 Summary of Opinions Concerning Connected Transactions with Persons who may have Conflicts of Interest for the Year 2019

231 Measure or Procedure for Connected Transaction Approval / Disclosure of Connected Transactions made during the Past 3 Years

"Investors can study more information from the Annual Registration Statement (Form 56-1) by which the Company has published via www.sec.or.th or www.bafsthai.com"



Vision

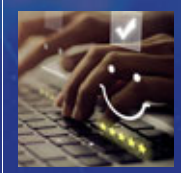
Sustainability in Energy Services with Awareness of Quality Safety and Environment

Mission

Shareholders

To conduct business to attain sustainable wealth and positive returns to shareholders consistently.

Customers



To deliver customer satisfactions by focusing on quality and utmost safety, in accordance to international standards.

Business Partners

To adhere to the Corporate Governance Codes, guidelines of the Collective Action Coalition against Corruption, and to strictly comply with the contracts and conditions as agreed.

Employees

To develop the employees to reach their highest potential, professionalism and ethics, and to adhere to the Corporate Governance Codes.

Society/ Community/ Environment

To be responsible for the society, community and environment, as stipulated in the sustainability framework.

Regulators

To abide by the laws, regulations and other rules relevant to the business conduct, with accountability, virtue, and transparency.

Competitors

To conduct business fairly in accordance with international practices, under the rules and regulations relating to trade.

Core value

B Belief in Teamwork

A Awareness of Safety, Quality and Environment

F Following Best Practice

S Service with Our Heart

Message from President

Bangkok Aviation Fuel Services Public Company Limited (BAFS) was founded by Cabinet Resolution in November 22, 1983 to construct and operate aircraft refuelling services at Bangkok International Airport (Don Mueang). Since then, and throughout its 36 years, BAFS has been playing an important role in fuelling Thailand's air transport to become an aviation hub of the region and the world. BAFS has successfully been doing business based on good corporate governance, emphasizing efficient management and international standard work process, governed by best practices, business integrity and fidelity. This results in a transparent and progressive organization that develop into a leading refuelling company at the international level.

In 2019, BAFS had encountered a wide range of situations amid global economic fluctuations due to impacts of a trade war between the United States and China and a continued appreciation of Thai Baht, resulting in a decreasing number of foreign tourists. Nonetheless, refuelling volume of aviation fuel which BAFS Group has provided at two major airports ie. Suvarnabhumi Airport (BKK) and Don Mueang International Airport (DMK) continued to grow, although the growth rate had slowed down to reach 2.3% compared to the previous year. In the meantime, volume of ground product fuels transported through pipeline system of Fuel Pipeline Transportation Limited (FPT) had increased; resulting in BAFS Group's revenue growth of 3.9% compared to the previous year.

BAFS other subsidiaries' performances were also achieved as plans. The construction of FPT's Northern multi-product pipeline transportation project phase 1 including Pichit Oil Depot was completed and full commercial services had been provided since June 2019. The construction of Lampang Oil Depot is expected to be completed and opened for services at the end of 2020. Meanwhile, Thai Aviation Refuelling Company Limited (TARCO)'s hydrant pipeline construction project for Suvarnabhumi Airport was completed and shall be commissioning to ensure its readiness for services in alignment with the second-phase expansion. In addition, to establish BAFS Groups' revenue stability, BAFS has studied and set up its Growth Strategy to expand businesses according to 3 main approaches, namely, aviation fuel service business to be expanded to other airports domestically and internationally, adjacencies business comprising services relating to airline and airport businesses, and other non-core businesses such as renewable energy, digital and IT solutions, in which BAFS has strength and expanding opportunities to international level.

Since BAFS has placed emphasis on being sustainability organization conducting business with quality, safety and good corporate governance, including systematic knowledge management and continued innovation promotion, BAFS thus received many awards in 2019 such as Outstanding Organization Awards, Thailand Sustainability Investment (THSI) Awards which BAFS has been granted for 5 consecutive years. BAFS assessment results on Corporate Governance Report of Thai Listed Companies (CGR) were also ranked as "Excellent" for 11 consecutive years.

On behalf of the Board of Directors, Management and the employees of BAFS, I would like to extend our gratitude to all stakeholders for supports given to BAFS. BAFS shall deliver values to all stakeholders across the supply chain, covering economic, social and environmental dimensions.

Mr. Prakobkiat Ninnad
Message from President

Financial Highlights

(Unit : Million Baht)

	2019	2018	2017	2016	2015
Key Financial Status and Performance					
Services Income	3,872.4	3,754.3	3,581.3	3,564.7	3,327.9
Other Income	83.7	52.3	58.9	146.8	31.8
Total Revenue	3,956.1	3,806.6	3,640.2	3,711.5	3,359.6
Cost of Services	1,829.2	1,658.9	1,606.0	1,546.3	1,449.2
Gross Profit	2,043.2	2,095.4	1,975.3	2,018.4	1,878.7
Administrative Expenses	701.4	611.8	583.8	578.6	564.9
Profit before finance cost and income tax expenses	1,424.5	1,535.9	1,450.4	1,586.6	1,345.6
Finance cost	196.3	139.4	160.3	131.2	83.2
Profit for the year	967.4	1,110.2	1,028.5	1,172.3	999.1
Profit attributable to Equity holders of the Company	939.9	1,050.6	970.6	1,097.1	957.7
Cash, cash equivalents and Current investments	2,038.5	2,179.0	2,064.6	4,363.5	1,501.3
Total Assets	17,345.8	16,290.4	12,414.4	12,157.8	8,540.5
Total Liabilities	9,482.0	8,437.4	4,844.7	4,786.6	2,876.3
Total Shareholders' Equity	7,863.8	7,853.0	7,569.7	7,371.2	5,664.2
Key Financial Ratios					
Gross Profit Margin	52.76%	55.81%	55.16%	56.62%	56.45%
Net Profit Margin	24.45%	29.17%	28.25%	31.59%	29.74%
Return on Total Assets	5.75%	7.74%	8.37%	11.33%	11.90%
Return on Total Equity	12.31%	14.40%	13.77%	17.99%	18.37%
Total Liabilities to Total Equity (Times)	1.21	1.07	0.64	0.65	0.51
Book Value per share* (Baht)	12.34	12.32	11.87	11.56	8.89
Dividend per share (Baht)	1.25	1.37	1.25	1.50	1.10
Earning per share* (Baht)	1.47	1.65	1.52	1.72	1.50

Notes * Calculation from the total common shares of 637.5 million shares

General Information

Bangkok Aviation Fuel Services Public Company Limited

Head Office	171/2 Kamphaeng Phet 6 Road, Don Mueang, Don Mueang, Bangkok 10210
	Tel : 0 2834 8900
	Fax : 0 2834 8999
	Website : www.bafsthai.com
Type of Business	Storage and Aircraft Refuelling Services
Registration Number	0107538000487
Registered Capital	637,496,657 shares, 1 Baht per share, total 637,496,657 Baht
Paid-up Capital	637,496,153 shares, 1 Baht per share, total 637,496,153 Baht

References	
Securities Registrar	Thailand Securities Depository Company Limited
	93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
	Tel : 0 2009 9999
	Fax : 0 2009 9991
Auditor	EY Office Company Limited
	33rd Floor, Lake Rajada Office Complex, 193/136-137,
	Rajadaphisek Road, Klongtoey, Bangkok 10110
	Tel : 0 2264 0777
	Fax : 0 2264 0789-90

BAFS Shareholdings in Subsidiary and Associated Companies

Name	Type of Business	Type of share	Paid-up Capital (Million Baht)	Shareholding Percentage (%)
Thai Aviation Refuelling Co., Ltd. 99 Moo 10, Srisa Jorakhanoi, Bang Saothong, Samut Prakran 10570 Tel : 0 2134 4021-6 Fax : 0 2134 0420	Aviation fuel service through hydrant pipeline network at Suvarnabhumi Airport	Ordinary	530.00	90.00
Fuel Pipeline Transportation Ltd. 424 Kamphaeng Phet 6 Road, Don Mueang, Don Mueang, Bangkok 10210 Tel : 0 2574 6180-3 Fax : 0 2574 6101	Fuel storage and fuel transportation through underground pipeline system	Ordinary and Preferred	3,660.67	75.00
Intoplane Services Co., Ltd. 171/2 Kamphaeng Phet 6 Road, Don Mueang, Don Mueang, Bangkok 10210 Tel : 0 2834 8982-3 Fax : 0 2834 8999	Labor contracting service for aircraft refuelling only which currently operates at Samui Airport, Sukhothai Airport and Trat Airport	Ordinary	0.12	83.33
BAFS Innovation Development Co., Ltd. 99 Moo 10 Srisa jorakhanoi, Bang Saothong, Samut Prakan 10570 Tel : 0 2326 3800	Research, development, design and improvement of innovative products including licensing and services of technology and innovation	Ordinary	5.00	100.00
BAFS INTECH Co., Ltd. 777/5-8 Moo 9, Tip 6, Bangpla, Bangplee, Samut Prakarn 10540 Tel : 0 2130 5881-3 Fax : 0 2130 5884	Design and assembly aviation refuelling vehicle and aviation ground service equipment	Ordinary	60.00	90.00
BPTG Co., Ltd. 90 CW TOWER A (33rd Floor), Ratchadaphisek Road, Huay Kwang, Bangkok 10310 Tel : 0 2168 3378 Fax : 0 2168 3379	Petrol stations located in the front area of Pichit Depot, Lampang Depot, and Kampang Petch Booster Pump Station of Fuel Pipeline Transportation Co., Ltd.	Ordinary	100.00	40.00

Corporate Awards and Recognition in 2019

Outstanding Organization Awards for its three operating sites

BAFS received National Outstanding Organization Awards for Safety, Occupational Health and Environment in 2019 for its three operating sites, which are Don Mueang Airport Depot (Head Office) for the 13th consecutive year, Suvarnabhumi Into-plane Refuelling Station for the 11th consecutive year, and Suvarnabhumi Airport Depot for the 9th consecutive year.

Thailand Sustainability Investment (THSI)

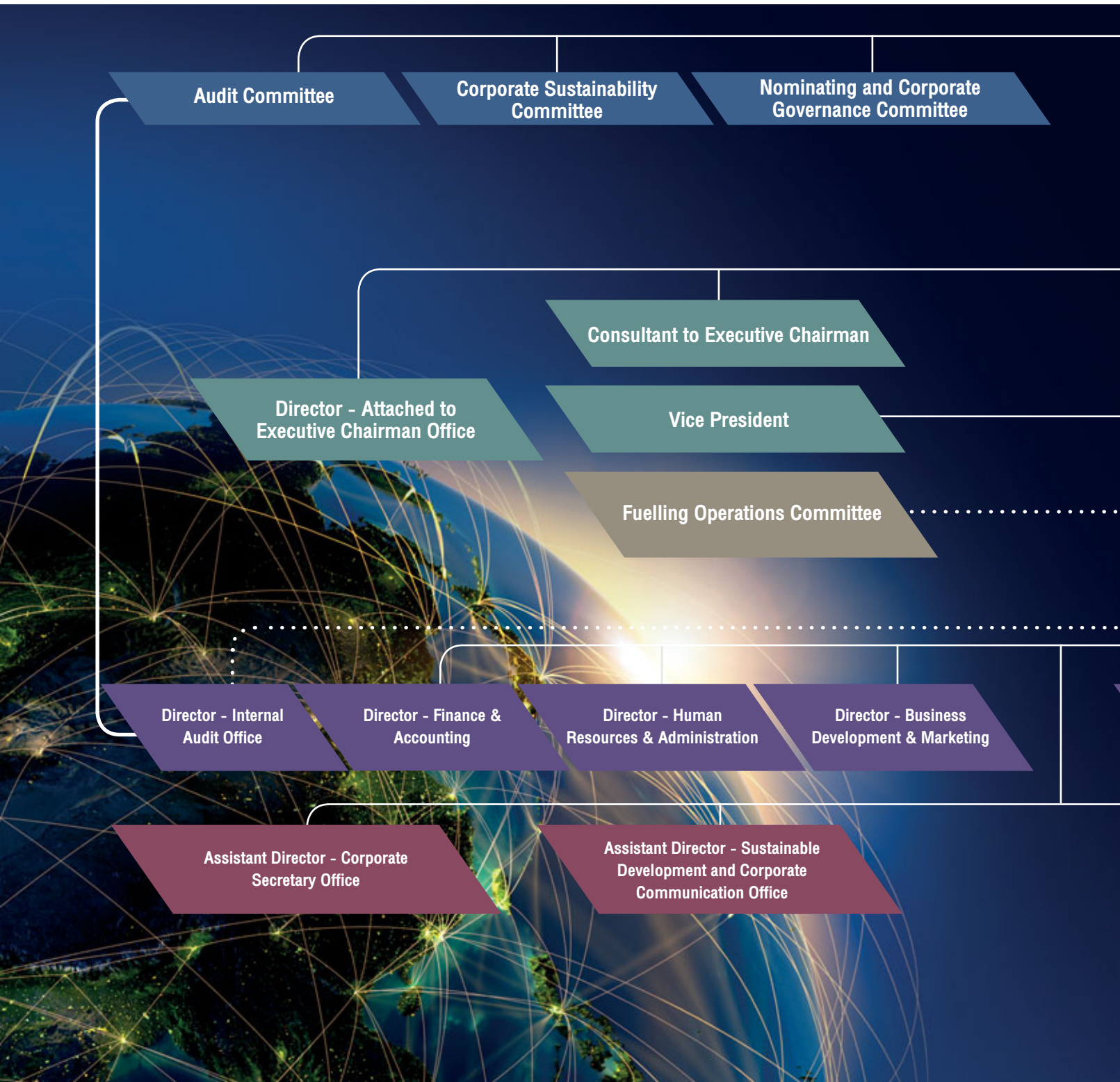
BAFS received Thailand Sustainability Investment (THSI) Awards from the Stock Exchange of Thailand as a listed company conducting sustainable business. BAFS places importance on the balance of financial performance and responsibilities for its stakeholders including environmental, social and governance (ESG). This aspect is one of choices for investors, who wish to follow sustainable investing approach, whereby ESG is a factor to be considered concurrently with the Company's financial statement analysis. BAFS has been listed in Thailand Sustainability Investment for the 5th consecutive years during 2015-2019.

Sustainability Disclosure Award

BAFS received "Sustainability Disclosure Award" 2019 from Securities & Exchange Commission (SEC) and Thaipat Institute. The award is given to Thai listed company being assessed on its operations through its Sustainability Report that discloses complete and reliable sustainability information in accordance with Global Reporting Initiative (GRI). In addition to finance related information that benefits the company's stakeholders and organizational development towards sustainability, the sustainability disclosure shall reflect the company's roles and operations related to sustainable development that covers environmental, social and governance dimensions (ESG), including its response to Sustainable Development Goals (SDGs).

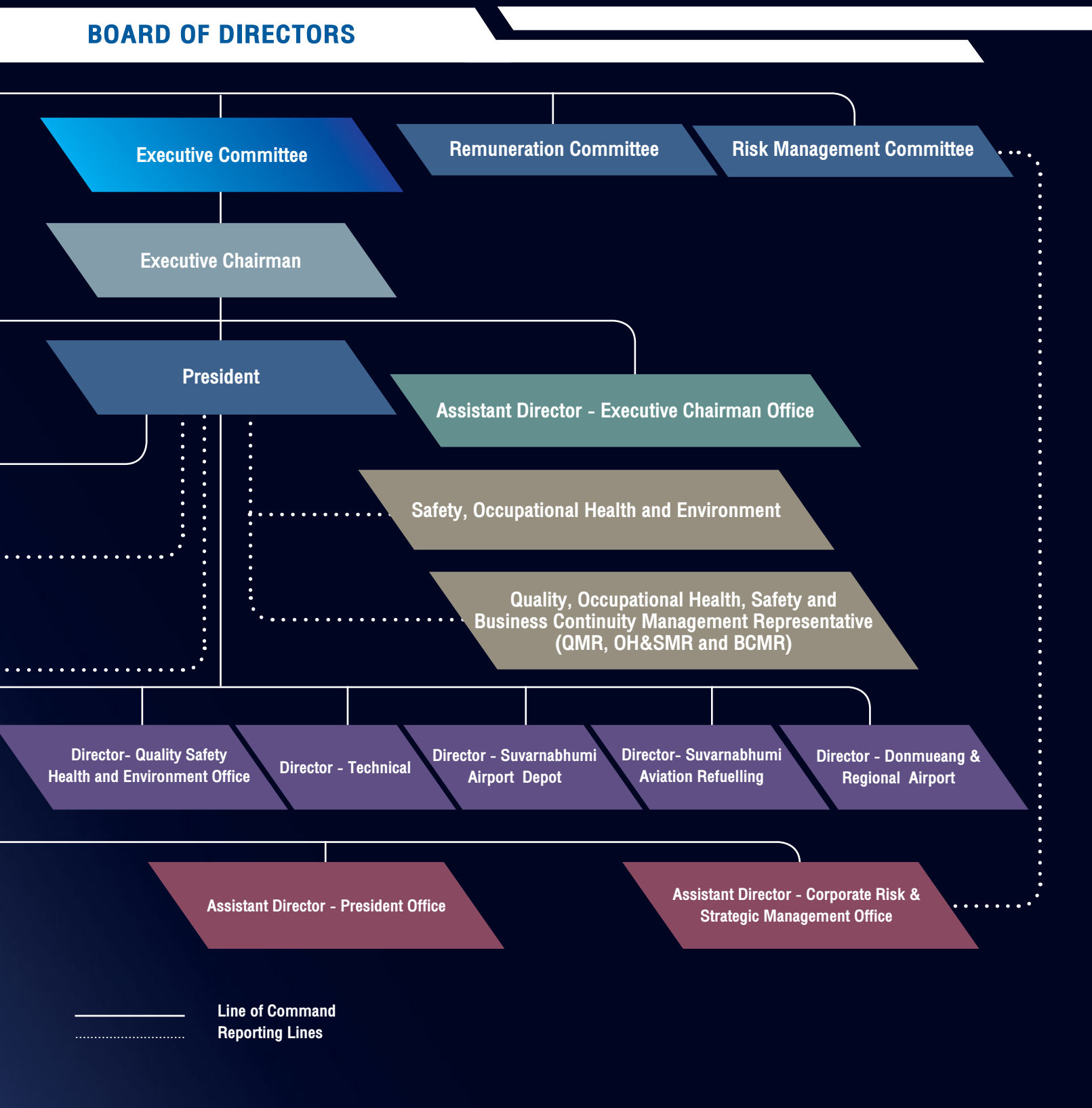
Honor Plaque and Certificate from the Ministry of Natural Resources and Environment

BAFS received an honor plaque and certificate from Mr. Noppadon Polsen, Vice Minister of Natural Resources and Environment at the event entitled "Global Warming Mitigation Day" held by Thailand Greenhouse Gas Management Organization (Public Organization) on September 19, 2019. BAFS has prepared its greenhouse gas emissions accounting by following acceptable standard under Thailand Voluntary Emission Reduction Program (T-VER) as well as its monitoring report on BAFS Solar Cell Project implemented at Suvarnabhumi Airport Depot and Don Mueang Airport Depot.


Audit Committee
Corporate Sustainability Committee
Nominating and Corporate Governance Committee
Consultant to Executive Chairman
Director - Attached to Executive Chairman Office
Vice President
Fuelling Operations Committee
Director - Internal Audit Office
Director - Finance & Accounting
Director - Human Resources & Administration
Director - Business Development & Marketing
Assistant Director - Corporate Secretary Office
Assistant Director - Sustainable Development and Corporate Communication Office

Organization Chart of BAFS

Bangkok Aviation Fuel Services Public Company Limited



Board of Directors

Mr. Palakorn Suwanrath (71 years)

Chairman and Independent Director

Starting Date of Directorship
April 2, 2007

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Master of Arts in International Affairs (M.A.I.A) Southeast Asia Studies, Ohio University, USA
- Bachelor of Arts in Political Science, Chulalongkorn University
- Certificate, National Defense College, Class 37
- Programs organized by the Thai Institute of Directors (IOD)
  - Directors Certification Program (DCP) 92/2007
  - Director Accreditation Program (DAP) 63/2007
  - The Role of Chairman (RCM) 16/2007

Work Experience

2018 - Present	Chairman and Independent Director, Ubon Bio Ethanol Plc.
2014 - Present	Chairman and Independent Director, The Platinum Group Plc.
1990 - Present	Director, Les Trois Co., Ltd.
1980 - Present	Director, Lucky Clover Co., Ltd.
1979 - Present	Director, Thongtipaya Co., Ltd.
1979 - Present	Director, Supatasna Co., Ltd.
Past	• Chairman and Independent Director, The Platinum Group Co., Ltd. • Chairman, Metropolitan Electricity Authority • Chairman, Provincial Electricity Authority • Director, Electricity Generating Authority of Thailand • Director, Expressway and Rapid Transit Authority of Thailand • Director, Government Savings Bank • Director, SCB Securities Co., Ltd.

Current Position in Other Companies

Listed companies
- Chairman and Independent Director, The Platinum Group Plc.

Non-listed companies
- 5 Companies

Illegal Record
- None

M.R. Supadis Diskul (70 years)

Director, Remuneration Committee Director, Nominating and Corporate Governance Committee Director, Risk Management Committee Director, Chairman of Corporate Sustainability Committee, Executive Chairman

Starting Date of Directorship
December 30, 1983

Shareholding of the Company
- 0.690% (In name of himself and spouse 4,400,000 shares) Increased 160,000 shares in 2019

Relationship with Management
- Father of M.L. Nathasit Diskul, Vice President, Acting for Directors - Business Development & Marketing

Education / Director Training Program
- Master of Community and Regional Planning, North Dakota State University, USA
- Bachelor of Science, Medical Technology, Mahidol University
- Certificate, National Defence College, The National Defence Course for the Joint State-Private Sectors,Class 4515
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 12/2004
  - Director Certification Program (DCP) 51/2004
  - Finance for Non-Finance Directors (FND) 14/2004 and 1/2011
  - Role of the Compensation Committee (RCC) 4/2007
  - The Role of Chairman Program (RCP) 16/2007
  - Successful Formulation and Execution of Strategy (SFE) 5/2009
  - Anti-Corruption for Executive Program (ACEP) 11/2014
  - Board Nomination and Compensation Program (BNCP) 5/2018

Mr. Prakobkiat Ninnad (63 years)

Director, Remuneration Committee Director, Nominating and Corporate Governance Committee Director, Risk Management Committee Director, Corporate Sustainability Committee Director, and President

Starting Date of Directorship
April 24, 2014

Shareholding of the Company
- 0.012%
  (In name of himself 73,800 shares)
  (No Shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- Bachelor of National Economics and International Relations, University of Stockholm, Sweden
- Intensive Business Profession Program, Faculty of Commerce and Accountancy, Chulalongkorn University
- Aviation Law Seminar, International Aviation Management Training Institute, Canada
- Role of Executive to Internal Control, Risk Management Awareness for Executives, Internal Control, Business & Finance Acumen from Thai Airways International PCL
- Executive Program: Good Governance for Sustainable Development, Institute for Good Governance Promotion, Class 1, Office of the Public Sector Development Commission
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Certification Program (DCP) 193/2014
  - Role of the Nomination and Governance Committee (RNG) 8/2016

Work Experience

2019 - Present	President, Bangkok Aviation Fuel Services PCL
2018 - Present	Director, BAFS INTECH Co., Ltd.
2016 - Present	Director, BAFS Innovation Development Co., Ltd.
2015 - Present	Director, Thai Aviation Refuelling Co., Ltd.
2015 - Present	Chairman, Intoplane Services Co., Ltd.
2014 - Present	Director, Bangkok Aviation Fuel Services PCL
2006 - Present	Director, Fuel Pipeline Transportation Co., Ltd.
Past	• Managing Director, Bangkok Aviation Fuel Services PCL • Vice President, Petroleum, Corporate Insurance and Aviation Environment Department, Thai Airways International PCL

Current Position in Other Companies
Listed companies
- None

Non-listed companies
- 5 Companies

Illegal Record
- None

Work Experience

2018 - Present	Chairman, BAFS INTECH Co., Ltd.
2016 - Present	Chairman, BAFS Innovation Development Co., Ltd.
2014 - Present	Executive Chairman, Bangkok Aviation Fuel Services PCL
2013 - Present	Independent Director, Bangkok Insurance Public Co., Ltd.
2011 - Present	Director, Thai Aviation Refuelling Co., Ltd.
2010 - Present	Chairman, Fuel Pipeline Transportation Co., Ltd.
1986 - 2015	Chairman, Intoplane Service Co., Ltd.
Past	• Managing Director, Bangkok Aviation Fuel Services PCL • Director and Managing Director, Fuel Pipeline Transportation Co., Ltd. • Managing Director, Thai Aviation Refuelling Co., Ltd. • Director and Managing Director, JP-One Asset Co., Ltd. • Director, BAFS International Co., Ltd. • Executive Vice President, Corporate Development and Support Department, Thai Airways International PCL

Current Position in Other Companies
Listed companies
- Independent Director, Bangkok Insurance Plc.

Non-listed companies
- 4 Companies

Illegal Record
- None

Mr. Nattapong Samit-ampaipisarn (54 years)

Director

Starting Date of Directorship
August 7, 2019

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- M.A. Financial Economics (International Program), Thammasat University
- B.A. Economics (with Honors), Thammasat University
- Strategic Financial Leadership Program (SFLP) 2019
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 165/2019
- Corporate Governance for Directors and Senior Executives of State Enterprises and Public Organizations King Prajadhipok's institute (PDI 21)

Work Experience

2019 - Present	Executive Vice President, Finance and Accounting, Thai Airways International PCL
2019 - Present	Director, THAI Smile Airways Co., Ltd.
2019 - Present	Director, THAI - Amadeus Southeast Asia Co., Ltd.
Past	• Senior Vice President, International Banking Group Treasury, Bangkok Bank PCL

Current Position in Other Companies

Listed companies
- Executive Vice President, Finance and Accounting, Thai Airways International PCL

Non-listed companies
- 2 Companies

Illegal Record
- None

Squadron Leader Soradej Namruangsri (59 years)

Director

Starting Date of Directorship
November 13, 2019

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Bachelor of Science Civil Engineering Royal Thai Air Force Academy

Work Experience

2019 - Present	Executive Vice President, Operations Department, Thai Airways International PCL
2017 - 2019	Vice President, Flight Operations Department, Thai Airways International PCL
2016 - 2017	Mission Commander, Flight Operations Department, Thai Airways International PCL
2015 - 2016	Director, Operations Control & Planning Department, Thai Airways International PCL

Mr. Puttipong Prasarttong-Osoth (55 years)

Director

Starting Date of Directorship
August 8, 2018

Shareholding of the Company
- 0.004%
  (In name of himself 25,000 shares)
  (No Shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- Bachelor of Accountancy, Chulalongkorn University
- Senior Executive Program : SASIN
- Commercial Pilot License
- Diploma from Judicial Training Institute
- National Defence College, The Joint State - Private Sector Course, Class 24
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 100/2013
  - Director Certification Program (DCP) 241/2017

Work Experience
2019 - Present	• Vice Chairman • Chief Executive Officer Bangkok Airways Public Co., Ltd.
2008 - Present	• President • Member of Executive Committee • Vice President - Commercial • Vice President - Human Resources • Vice President - Operations, Bangkok Airways Public Co., Ltd.
2019 - Present	Director, Bangkok Dusit Medical Services PCL
2017 - Present	Chairman, Bangkok Air Catering Chiangmai Co., Ltd.
2016 - Present	Director, Fuel Pipeline Transportation Co., Ltd.
2015 - Present	Chairman, Bangkok Air Catering Samui Co., Ltd.
2015 - Present	Chairman, Gourmet Primo Co., Ltd.
2013 - Present	Director, Bangkok Media & Broadcasting Co., Ltd.
2012 - Present	Director, Aeronautical Radio of Thailand Co., Ltd.
2012 - Present	Chairman, Bangkok Air Ground Services Co., Ltd.
2012 - Present	Chairman, Bangkok Air Catering Phuket Co., Ltd.
2010 - Present	Chairman, BAC Gourmet House Co., Ltd.
2004 - Present	Chairman, Bangkok Air Catering Co., Ltd.
2004 - Present	Chairman, WFS-PG Cargo Co., Ltd.
2004 - Present	Chairman, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
2004 - Present	Director, The Sahakol Estate Co., Ltd.

Current Position in Other Companies
Listed companies
- President,
  Bangkok Airways Public Co., Ltd.
- Director,
  Bangkok Dusit Medical Services PCL

Non-listed companies
- 13 Companies

Illegal Record
- None

Current Position in Other Companies
Listed companies
- Executive Vice President,
  Operations Department,
  Thai Airways International PCL

Non-listed companies
- 1 Company

Illegal Record
- None

Mr. Nitinai Sirismatthakarn (48 years)

Director

Starting Date of Directorship
November 9, 2016

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Doctor of Philosophy (Economics), Florida State University
- Master of Public Administration, University of Southern California
- Business Administration (Economics), Chulalongkorn University
- Certificate in Public Financial Management University of Southern California
- Certificate in Financial Management University of Southern California
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 138/2017
  - Director Certification Program (DCP) 258/2018

Work Experience

2015 - Present	President, Airports of Thailand PLC
Past	• Deputy Director, Fiscal Policy Research Institute Foundation
	• President, Thailand Future Foundation
	• Senior Advisor 11, Airports of Thailand PLC
	• Senior Executive Vice President, Airports of Thailand PLC

Current Position in Other Companies

Listed companies
- President, Airports of Thailand PLC

Non-listed companies
- None

Illegal Record
- None

Mr. Peratak Autadej (60 years)

Director

Starting Date of Directorship
November 5, 2015

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Bachelor of Science in Technical Education (Electrical Engineering), Rajamangala University of Technology
- MDP3 : Level 13-14 Business Management; PTT Plc.
- VP Leadership Development Program; PTT Plc.
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Certification Program (DCP) 218/2016

Work Experience

2018 - Present	Executive Vice President, Petroleum Terminal Operations PTT Oil and Retail Business Plc.
2015 - Present	Director, Thai Petroleum Pipeline Co., Ltd.
2015 - 2018	Director, PTT Tank Terminal Co., Ltd.

2016 - 2018	Executive Vice President, Petroleum Terminal Operations, PTT Plc.
2015 - 2016	Vice President Acting Executive Vice President, Petroleum Terminal Operations, PTT Plc.
2011 - 2015	Vice President, Products Transportation, PTT Plc.
Past	• Vice President, Central Petroleum, Terminal PTT Plc. • Senior Petroleum Supply and Trading, Petroleum Office PTT Plc. • Terminal Operations Planning, Division Manager, PTT Plc. • Petroleum Supply, Operations Division Manager, PTT Plc.

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 2 Companies

Illegal Record

- None

Mr. Kongsiam Chinwanno (51 Years)

Director

Starting Date of Directorship

April 26, 2018

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Master of Management, (Statistics), University of Kansas City, USA
- Bachelor of Business Administration (with honors), University of Kansas City, USA
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 150/2018

Work Experience

2017 - Present	Asia Pacific Fleet Manager, ExxonMobil Limited
2012 - 2017	Asia Pacific Capital and Initiatives Coordinator, ExxonMobil Limited
Past	• Logistics Business Developer, ExxonMobil Limited

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 1 Company

Illegal Record

- None

Mr. Rungroj Sivachan (52 years)

Director

Starting Date of Directorship

February 22, 2017

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Master of Industrial Engineering & Management, Oklahoma State University, USA
- Bachelor of Chemical Engineering, Chemical Technology Chulalongkorn University
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 140/2017

Work Experience

2011 - Present	General Manager - Distribution, The Shell Company of Thailand Limited
Past	• Regional Operations Manager - Central, The Shell Company of Thailand Limited • Road Transport Improvement Lead - East (Asia/Oceania), The Shell Company of Thailand Limited • Planning & Appraisal Manager - Distribution, The Shell Company of Thailand Limited • Customer & Credit Manager - Retail, The Shell Company of Thailand Limited

Current Position in Other Companies

Listed companies

- None

Non-listed companies

- 3 Companies

Illegal Record

- None

Mr. Aswin Kongsiri (74 years)

Independent Director, Chairman of Nominating and Corporate Governance Committee, and Chairman of Risk Management Committee

Starting Date of Directorship
April 22, 2005

Shareholding of the Company
- 0.024%
  (In name of himself and spouse 150,000 shares) (No Shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- Business Administration (Honors) in Philosophy, Politics and Economics, Oxford University, England
- Certificate, National Defence College, The National Defence Course for the Joint State-Private Sectors, Class 6
- Banff School of Advanced Management, Alberta, Canada
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Certification Program (DCP) 11/2001
  - The Role of Chairman (RCM) 5/2001

Work Experience

2010 - Present	Chairman, Thai Orix Leasing Co., Ltd.
2007 - Present	Chairman, Ch.Karnchang PCL
1999 - Present	Independent Director and Chairman of the Audit Committee, OHTL PCL
1994 - Present	Independent Director, Ch.Karnchang PCL
1993 - Present	Independent Director and Chairman of the Audit Committee, Thai Reinsurance Public Co., Ltd.
1981 - Present	Independent Director and Audit Committee Member, Padaeng Industry PLC
2008 - 2018	Chairman, Ton Poh Thailand Fund
Past	• Member of Monetary Policy Committee, Bank of Thailand • Chairman, Thoresen Thai Agencies Public Co., Ltd. • Governor, The Stock Exchange of Thailand • Vice Chairman, Electricity Generating PCL • Director and Risk Management Committee Member, Krung Thai Bank PCL • President, The Industrial Finance Corporation of Thailand

Current Position in Other Companies
Listed companies
- Independent Director and Chairman of the Audit Committee, OHTL PCL
- Independent Director and Chairman, Ch.Karnchang PCL
- Independent Director and Chairman of the Audit Committee, Thai Reinsurance Public Co., Ltd.
- Independent Director and Audit Committee Member, Padaeng Industry PLC

Non-listed companies
- 1 Company

Illegal Record
- None

Mr. Visut Montriwat (73 years)

Independent Director, Audit Committee Director, and Chairman of Remuneration Committee

Starting Date of Directorship
November 9, 2006

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- MBA, Northern Illinois University, USA
- Bachelor of Commerce, Chulalongkorn University
- Certificate, National Defence College, Class 38
- Programs organized by the Thai Institute of Directors (IOD)
  - Audit Committee Program (ACP) 15/2006
  - Directors Certification Program (DCP) 77/2006
  - Monitoring the System of Internal Control and Risk Management (MIR) 1/2007
  - Role of the Compensation Committee (RCC) 2/2007
  - Monitoring of the Quality of Financial Report (MFR) 7/2009

Work Experience

2015 - Present	Independent Director, Lynn Phillips Mortgage Credit Foncier Co., Ltd.
2011 - Present	Independent Director and Audit Committee Director, Srivichaivejvivat PCL
2008 - Present	Director, Thai Aviation Refuelling Co., Ltd.

Mr. Pachara Yutidhammadamrong (72 years)

Independent Director,
Chairman of Audit Committee and
Remuneration Committee Director

Starting Date of Directorship
April 8, 2009

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Honorary Degree of Doctor of Laws, Ramkhamhaeng University
- LL.B., Thammasat University
- Barrister at Law, Institute of Legal Education of The Thai Bar
- Certificate, National Defense Course for the Joint State-Private Sectors, National Defence College, Class 399
- Certificate from Naval College, Class 21 (1988-1989)
- Public Director Certification Program from Public Director Institute
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 55/2006
  - Audit Committee Program (ACP) 22/2008

Work Experience

2018 - Present	Chairman, Oils' R Us Co., Ltd.
2017 - Present	Independent Director, MFC Asset Management plc.
2015 - Present	Chairman, Preecha Group Plc.
2014 - Present	Director, Magic Enterprise Co., Ltd.
2013 - Present	Director, Amarin Television Co., Ltd.
2009 - Present	Director, Thai Aviation Refuelling Co., Ltd.
Present	• Legal Counsel, Sukhumvit Asset Management Co., Ltd. • Director, Office of the Council of State
Past	• Attorney General, Office of the Attorney • General Member of National Legislative Assembly • Director, Thai Airways International PCL • Director, IRPC Plc. • Director, Provincial Electricity Authority • Chairman of the Audit Committee and Independent Director, Krung Thai Bank PCL

Current Position in Other Companies
Listed companies
- Chairman of Committee, Preecha Group Plc.
- Independent Director, MFC Asset Management plc.

Non-listed companies
- 5 Companies

Illegal Record
- None

2008 - Present	Director, S S V Business Co., Ltd.
2017 - 2018	Independent Director, Proud Estate Development Co., Ltd.
Past	• Director, Thai Paiboon Insurance Co., Ltd. • Independent Director and Audit Committee Member, Krungthai Bank PCL • Deputy Permanent Secretary, Ministry of Finance • Inspector - General, Ministry of Finance • Director - General, The Comptroller General's Department, Ministry of Finance • Director - General, The Treasury Department, Ministry of Finance

Current Position in Other Companies
Listed companies
- Independent Director and Audit Committee Director, Srivichaivejvivat Plc.

Non-listed companies
- 3 Companies

Illegal Record
- None

Mr. Pipat Purnananda (71 years)

Independent Director, Audit Committee Director, Risk Management Committee Director and Nominating and Corporate Governance Committee Director

Starting Date of Directorship
April 17, 2013

Shareholding of the Company
- 0.031%
  (In name of himself 200,000 shares)
  Increased 60,000 shares in 2019

Relationship with Management
- None

Education / Director Training Program
- Master of Arts (Economics) Western Michigan University, USA
- Bachelor Degree of Arts, Business and Administration (Finance), Thammasat University
- Workshop on Budgeting in the Public Sector, Harvard University
- National Defence College (NDC 3)
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 94/2012
  - Audit Committee Program (ACP) 43/2013
  - Director Certification Program (DCP) 172/2013
  - Financial Statements for Director (FSD) 2/2014

Work Experience

2017 - Present	Chairman of Committee, TOOM NAM Co., Ltd.
2013 - Present	Director, Thai Aviation Refuelling Co., Ltd.
Past	• Independent Director and Audit Committee Director, Solution Corner (1998) Plc. • Deputy Director Bureau of the Budget, Office of the Prime Minister

Current Position in Other Companies
Listed companies
- None

Non-listed companies
- 2 Companies

Illegal Record
- None

Mr. Surachai Piencharoensak (60 years)

Director, Nominating and Corporate Governance Committee Director

Starting Date of Directorship
November 8, 2017

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Bachelor of Mechanical Engineering, King Mongkut's University of Technology North Bangkok
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Accreditation Program (DAP) 145/2018

Work Experience

2017 - 2019	Executive Vice President, Technical Department, Thai Airways International PCL
2017 - 2019	Director, Don Mueang International Airport Hotel Co., Ltd.
2016 - 2017	Vice President Heavy Maintenance BKK Base, Thai Airways International PCL

Squadron Leader Pongtorn Thepkanjana (61 years)

Director

Starting Date of Directorship
November 8, 2017

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Bachelor of Aeronautical Engineering, Royal Thai Air Force Academy
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Certification Program (DCP) 233/2017

Work Experience

2017 - 2019	Executive Vice President, Operations Department, Thai Airways International PCL
2017 - 2019	Director, Aeronautical Radio of Thailand Co., Ltd.
2015 - 2019	Director, Thai Flight Training Co., Ltd.
2016 - 2017	Vice President, Flight Operations Department, Thai Airways International PCL
2015 - 2016	Vice President, Aviation Resource Development Department, Thai Airways International PCL
2014 - 2015	Mission Commander, Thai Airways International PCL
Past	• Director, Flight Test & Development Department, Thai Airways International PCL

Current Position in Other Companies
Listed companies
- None

Non-listed companies
- None

Illegal Record
- None

Remark :
Date of Termination October 1, 2019

2015 - 2016	Deputy Vice President Heavy Maintenance BKK Base, Thai Airways International PCL
2015	Director, Base & Outer Station Maintenance Department, Thai Airways International PCL
2009 - 2015	Director, Strategy & Information Technology Services, Thai Airways International PCL

Current Position in Other Companies
Listed companies
- None

Non-listed companies
- None

Illegal Record
- None

Remark :
Date of Termination October 1, 2019

Management Team

Mr. Prakobkiat Ninnad (63 years)

Director, Remuneration Committee Director, Nominating and Corporate Governance Committee Director, Risk Management Committee Director, Corporate Sustainability Committee Director, and President

Starting Date of Directorship
April 24, 2014

Shareholding of the Company
- 0.012%
  (In name of himself 73,800 shares)
  (No Shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- Bachelor of National Economics and International Relations, University of Stockholm, Sweden
- Intensive Business Profession Program, Faculty of Commerce and Accountancy, Chulalongkorn University
- Aviation Law Seminar, International Aviation Management Training Institute, Canada
- Role of Executive to Internal Control, Risk Management Awareness for Executives, Internal Control, Business & Finance Acumen from Thai Airways International PCL
- Executive Program: Good Governance for Sustainable Development, Institute for Good Governance Promotion, Class 1, Office of the Public Sector Development Commission
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Certification Program (DCP) 193/2014
  - Role of the Nomination and Governance Committee (RNG) 8/2016

Work Experience

2019 - Present	President, Bangkok Aviation Fuel Services PCL
2018 - Present	Director, BAFS INTECH Co., Ltd.
2016 - Present	Director, BAFS Innovation Development Co., Ltd.
2015 - Present	Director, Thai Aviation Refuelling Co., Ltd.
2015 - Present	Chairman, Intoplane Services Co., Ltd.
2014 - Present	Director, Bangkok Aviation Fuel Services PCL
2006 - Present	Director, Fuel Pipeline Transportation Co., Ltd.
Past	Managing Director, Bangkok Aviation Fuel Services PCL
	• Vice President, Petroleum, Corporate Insurance and Aviation Environment Department, Thai Airways International PCL

Current Position in Other Companies
Listed companies
- None

Non-listed companies
- 5 Companies

Illegal Record
- None

M.L. Nathasit Diskul (38 years)

Vice President, Acting for Director - Business Development & Marketing

Shareholding of the Company
- 0.063%
  (In name of himself 400,000 shares)
  Increased 90,000 shares in 2019

Relationship with Management
- Son of M.R. Supadis Diskul, Director and Executive Chairman

Education / Director Training Program
- Master of Commerce in International Business, University of New South Wales, Sydney, Australia
- Bachelor of Economics, International Program, Thammasat University
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Certification Program (DCP) 275/2019

Work Experience

2019 - Present	Vice President, Acting for Director - Business Development & Marketing, Bangkok Aviation Fuel Services PCL
2019 - Present	Director, BAFS Innovation Development Co., Ltd.
2019 - Present	Director, BAFS INTECH Co., Ltd.
2019 - Present	Director, Intoplane Services Co., Ltd.
2019 - Present	Director, Thai Aviation Refuelling Co., Ltd.
2017 - 2018	Managing Director, Renazzo Motor Co., Ltd.
2017 - 2018	Managing Director, Ducatisti Co., Ltd.
2012 - 2017	Sales and Marketing Director, Ducatisti Co., Ltd.
Past	• Counselor, Permanent Mission of Thailand to The World Trade Organization

Mr. Charoen Charusalaipong (57 years)

Consultant to Executive Chairman

Shareholding of the Company

- None

Relationship with Management

- None

Education / Director Training Program

- Master of Business Administration, Sripatum University
- Bachelor of Science, Mahidol University
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Certification Program (DCP) 168/2013

Work Experience

2017 - Present	Consultant to Executive Chairman, Bangkok Aviation Fuel Services PCL
2017 - Present	Director and Managing Director, Fuel Pipeline Transportation Co., Ltd.
2014 - 2016	Assistant to Managing Director, Fuel Pipeline Transportation Co., Ltd.
Past	• Business Development & Marketing Manager, Bangkok Aviation Fuel Services PCL

Mr. Kanit Seetong (49 years)

Director - Suvarnabhumi Aviation Refuelling

Shareholding of the Company

- 0.001%
  (In name of himself 7,500 shares)
  (No shareholding changed in 2019)

Relationship with Management

- None

Education / Director Training Program

- Master of Business Administration, Eastern Asia University
- Bachelor of Faculty of Education Srinakharinwirot University

Work Experience

2019 - Present	Director - Suvarnabhumi Aviation Refuelling, Bangkok Aviation Fuel Services PCL
2016 - Present	Chief Marketing Officer, BAFS Innovation Development Co., Ltd.
2016 - 2019	Aviation Refueling Director, Bangkok Aviation Fuel Services PCL
2012 - 2016	Deputy Aviation Refuelling Director, Bangkok Aviation Fuel Services PCL
Past	• Depot Operation Supervisor, Bangkok Aviation Fuel Services PCL

Mr. Suwatchai Patcharasaengthong (51 years)

Director - Suvarnabhumi Airport Depot

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Science in Industrial Technology Electrical Engineering, Siam University

Work Experience

2019 - Present	Director - Suvarnabhumi Airport Depot, Bangkok Aviation Fuel Services PCL
2018 - 2019	Depot Director, Bangkok Aviation Fuel Services PCL
2015 - 2018	Business and Development Manager, Fuel Pipeline Transportation Co., Ltd.
2013 - 2015	Depot Manager, Fuel Pipeline Transportation Co., Ltd.
Past	• Operations Manager, JP-One Asset Co., Ltd.

Miss Prapis Ruthairung (58 years)

Director - Finance & Accounting

Shareholding of the Company
- 0.001%
  (In name of herself 4,000 shares)
  (No shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- Master of Business Administration, Commerce and Accountancy Faculty, Chulalongkorn University
- Bachelor of Economics, Faculty of Economics, Thammasat University
- Programs organized by the Thai Institute of Directors (IOD)
  - Boardroom Success through Financing & Investment (BFI) 6/2019
  - Director Certification Program (DCP) 261/2018

Work Experience

2018 - Present	Director, BAFS INTECH Co., Ltd.
2017 - Present	Director, Intoplane Services Co., Ltd.
2017 - Present	Director - Finance & Accounting, Bangkok Aviation Fuel Services PCL
2016 - Present	Director and Chief Financial Officer, BAFS Innovation Development Co., Ltd.
2015 - 2017	Deputy Finance & Accounting Director, Bangkok Aviation Fuel Services PCL
Past	• Corporate Finance Manager, Bangkok Aviation Fuel Services PCL

Mrs. Jirapat Charoenbhantaraks (58 years)

Director - Human Resources & Administration

Shareholding of the Company
- 0.001%
  (In name of herself and her husband 6,250 shares) (No shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- Master Degree of Public Administration, Chulalongkorn University
- Bachelor Degree of Political Science Ramkhamhaeng University

Work Experience

2016 - Present	Director- Human Resources & Administration, Bangkok Aviation Fuel Services PCL
2015 - 2016	Deputy Human Resources & Administration Director, Bangkok Aviation Fuel Services PCL
Past	• Senior Administration Manager, Bangkok Aviation Fuel Services PCL

Miss Yuphadee Tongaroonsri (46 years)

Director - Donmueang and Regional Airport

Shareholding of the Company
- 0.003%
  (In name of herself 20,625 shares)
  (No shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- Master of Management,
  Mahidol University College of Management
- Bachelor of Science, Chiang Mai University
- Programs organized by the
  Thai Institute of Directors (IOD)
  - Director Certification Program (DCP)
    227/2016

Work Experience

2018 - Present	Chief Standard and Intellectual Property Officer, BAFS Innovation Development Co., Ltd.
2017 - Present	Managing Director, Intoplane Service Co., Ltd.
2016 - Present	Director, BAFS Innovation Development Co., Ltd.
2015 - Present	Director, Intoplane Service Co., Ltd.
2015 - Present	Director - Donmueang & Regional Airport Bangkok Aviation Fuel Services PCL
2018 - 2019	Director, BAFS INTECH Co., Ltd.
2015 - 2018	Chief Marketing Officer, BAFS Innovation Development Co., Ltd.
Past	• Deputy Donmueang & Regional Airport Director, Bangkok Aviation Fuel Services PCL • Deputy Donmueang & Regional Airport Manager, Bangkok Aviation Fuel Services PCL • Senior Quality Control Supervisor, Bangkok Aviation Fuel Services PCL

Mr. Nattapol Narkuam (52 years)

Director - Technical

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Bachelor of Industrial Technology,
  Major in Mechanical Engineering,
  Siam University
- Advanced Certificate Course in Public Economics Management for Executives,
  King Prajadhipok's Institute
- Programs organized by the
  Thai Institute of Directors (IOD)
  - Director Certification Program (DCP)
    227/2016

Work Experience

2016 - Present	Director and Managing Director, BAFS Innovation Development Co., Ltd.
2016 - Present	Board of Director, Intoplane Service Co., Ltd.
2014 - Present	Director - Technical, Bangkok Aviation Fuel Services PCL
Past	• Technical Manager, Bangkok Aviation Fuel Services PCL • Deputy Technical Manager, Bangkok Aviation Fuel Services PCL

Mrs. Mayuree Nalinwong (56 years)

Director - Internal Audit Office

Shareholding of the Company
- 0.006%
  (In name of herself 37,500 shares)
  (No Shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- MBA, Ramkhamhaeng University
- Bachelor of Accounting, Thammasat University
- Public Economics Management for Executives, King Prajadhipok's Institute
- Certificate of Business Management for Internal Audit, Federation of Accounting Professions
- Smart Disclosure Program (SDP), The Stock Exchange of Thailand
- New Financial Reporting Standards, Risk management, Corporate Governance Auditing and Revenue Code with Accountant, Federation of Accounting Professions
- Programs organized by the Thai Institute of Directors (IOD)
  - Anti - Corruption: The Practical Guide
  - Corruption Risk & Control: Technical Update (CRC) 2/2019
  - Road to Certify CAC

Work Experience

2014 - Present	Director - Internal Audit Office, Bangkok Aviation Fuel Services PCL
Past	• Executive of Internal Audit, Bangkok Aviation Fuel Services PCL • Executive Assistant of Internal Audit, Bangkok Aviation Fuel Services PCL

Miss Saowapak Jungpattanaphong (58 years)

Director - Quality Safety Health and Environment Office

Shareholding of the Company
- 0.018%

(In name of herself 116,250 shares)
(No shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- Master of Business Administration, Commerce and Accountancy Faculty, Chulalongkorn University
- Bachelor of Accountancy (Accounting) Commerce and Accountancy Faculty, Chulalongkorn University
- Intensive English Program at University of Delaware, USA

Work Experience

2015 - Present	Director - Quality Safety Health and Environment Office, Bangkok Aviation Fuel Services PCL
2012 - 2015	Assistant Director, Quality Safety Health and Environment Office, Bangkok Aviation Fuel Services PCL
Past	• Executive Assistant of Quality Management System, Bangkok Aviation Fuel Services PCL • Senior Stock Control Supervisor, Bangkok Aviation Fuel Services PCL

Mr. Pariwat Vattanasup (57 years)

Consultant to Executive Chairman

Shareholding of the Company

- 0.011%
  (In name of himself 73,125 shares)
  (No shareholding changed in 2019)

Relationship with Management

- None

Education / Director Training Program

- Bachelor of Engineering (Mechanical Engineering), Kasetsart University
- Master of Public and Private Management (M.P.P.M.), National Institute of Development Administration
- Economics in Public Administration for High-Level Administrators, King Prajadhipok's Institute, Class 13
- Executive Program: Good Governance for Sustainable Development, Institute for Good Governance Promotion, Class 4, Office of the Public Sector Development Commission
- Programs organized by the Thai Institute of Directors (IOD)
  - Corporate Governance for Executives (CGE) 4/2015
  - Driving Company Success with IT Governance (ITG) 1/2016
  - Director Certification Program (DCP) 253/2018

Work Experience

2019 - Present	Managing Director, Thai Aviation Refuelling Co., Ltd.
2019 - Present	Consultant to Executive Chairman, Bangkok Aviation Fuel Services PCL
2006 - Present	Director, Thai Aviation Refuelling Co., Ltd.
2017 - 2019	Director Attached to Executive Chairman, Bangkok Aviation Fuel Services PCL
2006 - 2019	Senior Operations Director, Thai Aviation Refuelling Co., Ltd.
1992 - 2006	Deputy to Technical Manager, Bangkok Aviation Fuel Services PCL
1988 - 1992	Mechanical Engineer, Bangkok Aviation Fuel Services PCL

Mr. Gritt Madisara (43 years)

Director - Attached to Executive Chairman Office

Shareholding of the Company

- 0.006%
  (In name of spouse 35,400 shares)
  (No Shareholding changed in 2019)

Relationship with Management

- None

Education / Director Training Program

- Master of Business Administration, Kasetsart International MBA, Kasetsart University
- Bachelor of Engineering, Sirindhorn International Institute of Technology, Thammasat University
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Certification Program (DCP) 261/2018

Work Experience

2017 - Present	Director - Attached to Executive Chairman Office, Bangkok Aviation Fuel Services PCL
2017 - Present	Director and Chief Technology Officer, BAFS Innovation Development Co., Ltd.
2017 - Present	Depot Department Manager, Fuel Pipeline Transportation Co., Ltd.
2017 - Present	Director, Intoplane Service Co., Ltd.
Past	• Deputy Depot Department Director, Bangkok Aviation Fuel Services PCL

Mr. Aniruth Boonyatirana (55 years)

Director - Attached to Executive Chairman Office

Shareholding of the Company
- 0.011%
  (In name of himself 67,500 shares)
  (No shareholding changed in 2019)

Relationship with Management
- None

Education / Director Training Program
- Master of Science Program in Renewable Energy, Naresuan University
- Bachelor of Engineering (Electrical Engineering), Sripatum University
- Bachelor of Education Program in Educational Technology, Srinakharinwirot University
- Intensive English Program, University of Delaware, USA
- Executive Financial - Management Course Faculty of Economics, Chulalongkorn University

Work Experience

2018 - Present	Director and Managing Director, BAFS INTECH Co., Ltd.
2018 - Present	Director - Attached to Executive Chairman Office, Bangkok Aviation Fuel Services PCL
2014 - 2018	Technical Deputy Director, Bangkok Aviation Fuel Services PCL
1998 - 2014	Electrical Engineer, Bangkok Aviation Fuel Services PCL

Mr. Amnuay Pahuvanich (60 years)

Consultant to Executive Chairman

Shareholding of the Company
- None

Relationship with Management
- None

Education / Director Training Program
- Master of Arts (Leadership in Society, Business and Politics), Rangsit University
- Bachelor Degree, Electrical Engineering, Kasetsart University
- Economics in Public Administration for High-Level Administrators - King Prajadhipok's Institute
- Executive Program: Good Governance for Sustainable Development, Institute for Good Governance Promotion, Office of the Public Sector Development Commission
- Programs organized by the Thai Institute of Directors (IOD)
  - Director Certification Program (DCP) 96/2007
  - Financial Statements for Directors (FSD) 6/2009
  - Successful Formulation and Execution of Strategy (SFE) 8/2010

Work Experience

2017 - 2019	Director, Fuel Pipeline Transportation Co., Ltd.
2014 - 2019	Consultant to Executive Chairman, Bangkok Aviation Fuel Services PCL
2012 - 2019	Managing Director, Thai Aviation Refuelling Co., Ltd.
2006 - 2019	Director, Thai Aviation Refuelling Co., Ltd.
1994 - 2018	Director, Intoplane Service Co., Ltd.
Past	• Consultant to Managing Director, Bangkok Aviation Fuel Services PCL • Senior Technical Manager, Bangkok Aviation Fuel Services PCL

Remark:
Date of Termination December 1, 2019

Policy and Business Overview

Please scan the QR Cpde for BAFS Value chain

Bangkok Aviation Fuel Services Public Company Limited (BAFS) was listed on the Stock Exchange of Thailand on April 4, 2002. Its core businesses include aviation fuel storage system and aviation refuelling system provided at 5 airports: Suvarnabhumi, Don Mueang, Samui, Sukhothai and Trat. BAFS's major shareholders comprise Thai Airways International PCL. and many oil companies which are also BAFS's customers. In 2019, BAFS celebrated its 36th anniversary as the company providing safe and punctual services in accordance with international standards, which proved that BAFS's business stability has been built upon its deliveries of values and safe, punctual and professional services to customers. In the meantime, to conduct its business towards sustainable growth according to guidelines issued by the Stock Exchange of Thailand, BAFS has adhered to delivering values to other stakeholder groups as well. Therefore, under the principles of good corporate governance and sustainability framework, BAFS determines its mission in response to all stakeholder groups. BAFS also conducts stakeholder engagement resulting in obtaining material aspects, all of which are elements in determining strategies and operational plans for achieving its **vision: Sustainability in Energy Services with Awareness of Quality Safety and Environment.**

Based upon its vision, BAFS has focused on delivering balanced values to the stakeholders along the supply covering all economic, social and environmental dimensions, while strengthening and increasing its competitiveness through BAFS Group as follows:

1. Thai Aviation Refuelling Company Limited (TARCO) (BAFS holds a 90% stake), provides aviation fuel transportation through hydrant pipeline network at Suvarnabhumi Airport.
2. Fuel Pipeline Transportation Limited (FPT) (BAFS holds a 75% stake), provides aviation fuel storage and multi-product pipeline transportation services. FPT's pipeline starts from Chongnonsi refinery and fuel depot, then heads for Don Mueang Aviation Fuel Storage Station and ends at Bang Pa-in fuel depot. In addition, to serve the airlines at Suvarnbhumi Airport, there is the pipeline system from Makkasan to Suvarnbhumi Aviation Fuel Storage Station.

Moreover, FPT is now expanding its business under the Northern multi-product pipeline transportation project as approved by the resolution of National Energy Policy Council Committee (NEPC). The project yields benefits to the public sector and promotes the national energy stability.

3. Intoplane Service Company Limited (IPS) (BAFS holds a 83.33% stake), provides labor contracting services for aircraft refuelling services at Samui Airport, Sukhothai Airport and Trat Airport. Fuel Pipeline Transportation Limited (BAFS's subsidiary) also hires IPS for labor contracting services at Pichit Depot and Kamphaeng Petch Booster Pump Station.
4. BAFS Innovation Development Company Limited (BID) (BAFS holds a 100% stake), provides research, development and sale of products including licensing and innovation and technologies services.
5. BAFS INTECH Company Limited (BAFS INTECH) (BAFS holds a 90% stake) provides design, manufacturing and assembly services for refuelling trucks including licensing for inspection, repair and maintenance and innovation and technologies services.

Apart from the aforementioned companies, BAFS has invested in the establishment of BPTG Company Limited (BPTG) (BAFS holds a 40% stake) that supplies and distributes petroleum products to general users in the areas of Pichit Depot, Lampang Depot and Kamphaeng Petch Booster Pump Station of the FPT.

Objectives and Goals

Considering BAFS group's nature of businesses amidst rapid changes, for instance, digital technology, global economic slowdown, intensifying natural disasters, and social trends in environmental conservation, BAFS Group therefore recognizes intense business rivalries in the future. Thus, it sets 2 objectives comprising 1) strengthening its competitiveness by expanding core businesses, related businesses and other businesses with proportion of revenues earned from its core businesses and other businesses in the next 5 years at 60 : 40, and 2) maintaining sustainable businesses for social license to operate by integrating business risk management with environment, society and corporate governance while setting goals that are consistent with the UN Sustainable Development Goals (UN SDGs).

In order to achieve such objectives and goals, BAFS has implemented 3 strategies, as follows:

1. **BAFS Group's Growth Strategy:** to create economic strength by expanding its core businesses, related businesses and other businesses in 4 aspects comprising expanding its core businesses within the country and Asia, developing digital and software businesses, growing renewable energy and environment-related businesses and expanding aircraft refuelling truck assembly and equipment businesses. BAFS shall invest in the businesses by itself or find partners to form a joint venture. Accordingly, BAFS established a working group to undertake tasks related to growth of BAFS Group under its investment framework approved by the Board of Directors as well as to report progresses to the Executive Committee meetings.
2. **Corporate Sustainability Strategy:** to create business values by adhering to the principles of good corporate governance, anti-corruption, providing internal standard services with punctuality and highest safety, enhancing personnel potentiality to ensure their professionals and ethics, including preparing database on knowledge management to further develop business innovations. Accordingly BAFS's sustainability working group shall undertake related tasks and report results of operations to the Corporate Sustainability Committee and the Board of Directors respectively.
3. **Enhancing Corporate Core Competencies on Work Processes and Personnel:** to adjust corporate organizational structure and work processes for greater agility and efficiency, all of which are to be consistent with BAFS Group's growth strategy. In 2019, BAFS Group's organizational structures had been adjusted. BAFS Group's competency guidelines are prepared for being used on considering and selecting high-potential employees to replace management personnel who shall retire in the next few years, including employees for management positions according to BAFS Group's business expansion plans.

Revenue Structure

BAFS generates its revenue from the following:

1. Revenue from aviation fuel storage system, aviation refuelling system, aviation fuel transportation via hydrant pipeline system and fuel transportation via pipeline system services
2. Revenue from property leasing
3. Other revenues

Revenue proportion for each business group

Table of BAFS's Annual Revenue Structure (by Business Categories) from 2017 to 2019

(Unit : million Baht)

Product Line/Business Group	Operated by	% of BAFS's Shareholding	2017		2018		2019	
			Amount	%	Amount	%	Amount	%
1. Service revenue	BAFS		2,238.94	61.51	2,375.07	62.39	2,481.89	62.73
	TARCO	90%	639.04	17.55	658.24	17.29	658.16	16.64
	FPT	75%	703.33	19.32	720.87	18.94	727.88	18.40
	BI	90% [2/]	-	-	0.16	0.00	4.51	0.11
2. Property leasing revenue	BAFS		12.5	0.34	12.45	0.33	12.97	0.33
	FPT	75%	1.04	0.03	1.00	0.03	1.69	0.04
3. Other revenues [1/]			45.36	1.25	38.81	1.02	69.07	1.75
Total			**3,640.21**	**100.00**	**3,806.60**	**100.00**	**3,956.17**	**100.00**

Remarks

[1/] Other revenues include revenue from other services and revenue from other types of investments such as interest receivables.

[2/] On May 9, 2018, the Board of Directors Meeting No. 2/2018 resolved to approve the establishment of BAFS INTECH Co., Ltd. (BI) with registered capital of 60 million Baht (600,000 ordinary shares, 100 Baht each), where BAFS holds a 90% stake.

BAFS Group's total revenue in 2019 was 3,956.1 million Baht, an increase of 149.5 million Baht or 3.9% compared to the total revenue in the previous year. Service revenue was 3,872.4 million Baht, an increase of 118.1 million Baht or 3.1% based on BAFS Group's growth in total aviation fuel service volume.

Performance Summary of Year 2019

1. Aviation Fuel Storage Service

Suvarnabhumi Airport

In 2019, BAFS had stored Jet A-1 fuel for aircraft refuelling at Suvarnabhumi Aviation Fuel Storage Station (BKK - Depot) in 5 fuel storage tanks with total capacity of 75 million liters[1)]. Volume of fuel reserve was approximately 3 times of aircraft refuelling daily volume.

For Jet A-1 fuel received from all oil companies, its total volume was 4,747.9 million liters, which separately transported via pipelines of Fuel Pipeline Transportation Limited (FPT) and Thai Petroleum Pipeline Co., Ltd. (THAPPLINE) for 1,868.8 million liters and 2,879.1 million liters, respectively. These figures represent a ratio of FPT: THAPPLINE at 39: 61.

Performance Summary at Suvarnabhumi Aviation Fuel Storage Station (BKK - Depot)	Year 2019 (Million Liters)	Year 2018 (Million Liters)	Increase (Decrease) %
Total volume of fuel received	4,747.9[2)]	4,759.8	-0.3
Average volume of fuel received per day	13.00	13.04	-0.3
Average volume of fuel received from FPT per day	5.12	4.96	3.2
Average volume of fuel received from THAPPLINE per day	7.88	8.08	-2.5

Remark 1) There are 8 fuel storage tanks at the Suvarnabhumi Aviation Fuel Storage Station with total capacity of 105 million liters. Fuel Pipeline Transportation Limited (FPT), which is BAFS's subsidiary, has rent 3 of them altogether.

2) Total volume of fuel received for the year 2019 was 4,757.9 million liters, partly due to rental fuel receiving system from FPT accounting for 10.0 million liters. Thus, the volume of fuel received from oil companies was 4,747.9 million liters.

Don Mueang International Airport

In 2019, BAFS had stored Jet A-1 fuel for aircraft refuelling at Don Mueang Aviation Fuel Storage Station (DMK - Depot) in 3 fuel storage tanks with total capacity of 21 million liters.

The total volume of fuel receiving from oil companies was 1,374.2 million litres. Jet A-1 fuel was received via pipelines of Fuel Pipeline Transportation Limited (FPT) and Thai Petroleum Pipeline Co., Ltd. (THAPPLINE) for 226.7 million liters and 1,147.5 million liters, respectively. These figures represent a ratio of FPT: THAPPLINE at 16: 84.

Performance Summary at Don Mueang Aviation Fuel Storage Station (DMK - Depot)	Year 2019 (Million Liters)	Year 2018 (Million Liters)	Increase (Decrease) %
Total volume of fuel received	1,374.2	1,237.9	11.0
Average volume of fuel received per day	3.76	3.40	11.0
Average volume of fuel received from FPT per day	0.62	1.00	-38.0
Average volume of fuel received from THAPPLINE per day	3.14	2.40	30.8

2. Aviation Fuelling Services

2.1 Aviation Refuelling Service

Suvarnabhumi Airport

JET A-1

Jet A-1 refuelling service was provided in total for 4,236 million liters or 353 million liters per month on average. It was refueled to 178,234 flights in total or 14,853 flights per month on average.

Don Mueang International Airport

JET A-1

Jet A-1 refuelling service was provided in total for 1,376 million liters or 115 million liters per month on average. It was refueled to 128,950 flights in total or 10,746 flights per month on average.

AVGAS

AVGAS refuelling service was provided in total for 50,850 liters or 4,238 liters per month on average. It was refueled to 357 flights in total or 30 flights per month on average.

2.2 Aviation Defuelling Service

Suvarnabhumi Airport

Jet A-1 defuelling service was provided to airlines in total for 1.12 million liters or 0.09 million liters per month on average. The service was provided to 68 flights in total or 6 flights per month on average.

Don Mueang International Airport

Jet A-1 defuelling service was provided to airlines in total for 1.0 million liters or 0.08 million liters per month on average. The service was provided to 117 flights in total or 10 flights per month on average.

2.3 Number of Flights Serviced from Airlines

In 2019, the number of airline flights that used BAFS's aviation refuelling services at Don Mueang International Airport and Suvarnabhumi Airport was 307,184 flights in total, which increased from 2018 for 3,664 flights. These figures represent its growth rate at 1.2%. Meanwhile, fuel volume provided for aviation refuelling at both airports was 5,612.7 million liters, which increased from 2018 for 154.4 million liters, representing its growth rate at 2.8% compared to the previous year.

Flight	Year 2019	Year 2018	Increase (Decrease) %
At Suvarnabhumi Airport			
Domestic Flight			
Number of Flights	42,341	44,765	-5.4
Fuel Volume (Million Liters)	326.5	346.6	-5.8
International Flight			
Number of Flights	135,893	127,681	6.4
Fuel Volume (Million Liters)	3,909.9	3,872.0	1.0
At Don Mueang International Airport			
Domestic Flight			
Number of Flights	74,339	82,021	-9.4
Fuel Volume (Million Liters)	451.1	501.3	-10.0
International Flight			
Number of Flights	54,611	49,053	11.3
Fuel Volume (Million Liters)	925.2	738.4	25.3
Total			
Number of Flights	**307,184**	**303,520**	1.2
Fuel Volume (Million Liters)*	**5,612.7**	**5,458.4**	2.8

Remark * BAFS's fuel volume provided for aviation refuelling

Summary of Key Changes in Business Characteristics

1. Characteristics of Services

As Thailand's largest aviation fuel service providers, Bangkok Aviation Fuel Services Public Company Limited (BAFS) and its subsidiaries have invested and operated their businesses in Thailand's main airports, covering the areas of into-plane fuelling, aviation fuel storage and transfer of fuel from the storage tanks to the airports via fuel hydrant systems. BAFS has invested in the pipeline transportation business located outside the airports. Apart from aviation fuel services as its core business, BAFS also generate revenue from property rentals and utility services relating to the core business. In 2019, an overview of the significant changes can be summarized as follows:

1.1 Aviation Fuelling Services

In the aviation fuel business, fuel trading companies compete for winning aviation fuel tenders from airlines. Once the contract has been awarded, the fuel trading company shall procure fuel and hire fuel handlers to transport fuel to BAFS's Joint Depot. Then, BAFS shall provide into-plane services to airlines as agreed. Although BAFS has invested in and provided into-plane services, it is not the fuel trader. In fact, BAFS is the company that selects and grants the rights to qualified fuel traders who are able to ensure sufficient fuel supplies for the airports, in order to maintain operational stability and ensure energy security for airlines. BAFS's nature of business is a key driver for free competition among fuel traders and airlines, to create an efficient price mechanism as well as to increase bargaining power and choices for airlines. Currently, there are 2 types of fuel products as follows:

1) Aviation Turbine Fuel, which is designed for use in turbofan engines, produces high thrust at maximum efficiency. At present, BAFS provides aircraft with this type of engines with into-plane services of Jet A-1 fuel only.

2) Aviation Gasoline (AVGAS) is designed for use in piston engine aircraft including pilot training aircraft and small private jets. At present, there is a low demand for this fuel type and BAFS only provide this product at Don Mueang International Airport.

The scope of services based on work systems can be divided into 3 categories as follows:

1.1.1 Into-plane Fuelling Service

Large-scale investments are crucial for the Into-plane fuelling service business since the refuelling vehicles and equipment are very expensive. In addition, the into-plane fuelling services shall be operated in compliance with regulations and highest international quality standards for safety reasons.

BAFS has established work procedures and instructions for providing into-plane fuelling services in accordance with the Aviation Fuel Quality Control and Operating Standards for Into-Plane Fuelling Services (JIG 1), the standards for oil companies worldwide which were issued by the Joint Inspection Group (JIG) and endorsed by the International Air Transport Association (IATA). BAFS's working philosophy is to ensure international quality standards, highest safety, punctuality and environmental friendliness. Moreover, BAFS has been certified to the ISO 9001:2015 Quality Management Systems and the OHSAS 18001:2007 Occupational Health and Safety Assessment Series.

Currently, BAFS has invested and been operating in 5 airports: Suvarnabhumi, Don Mueang, Samui, Sukhothai and Trat. In 2019, there were some changes in the business at each airport, as follows:

1) Suvarnabhumi Airport

Suvarnabhumi Airport is one among six airports that have been operated by Airports of Thailand PCL and the major airport providing 24-hour service with highest number of flight services for passengers. BAFS is one of the two companies that has been granted a 20-year concession to provide the into-plane fuelling service at Suvarnabhumi Airport, starting the operation on September 28, 2006, the same date as the official opening of Suvarnabhumi Airport. Currently, there are 9 fuel suppliers and jet A-1 is the only type of fuel that BAFS receives from fuel suppliers for aircraft refuelling service.

Suvarnabhumi Airport's refuelling was designed to be operated by hydrant systems, which lie underneath the apron throughout the airport. Currently, BAFS uses fuel dispenser trucks for refuelling service and refueller trucks for defuelling service only.

In 2019, Suvarnabhumi Airport served 380,052 flights, which was an increase of 2.9 percent from the previous year. In addition, BAFS provided the refuelling service for 178,234 flights, which was an increase of 3.4 percent with an average of 488 flights per day. The total refuelling volume was 4,236 million liters per year at an average of 11.6 million liters per day, which was an increase of 0.0 percent, making a total of 89.0 percent in market share.

Number of Flights and Jet A-1 Refuelling Volume under Observed Temperature At Suvarnabhumi Airport 2017 - 2019

Year	Number of Aircraft (Flights per Year)	Refuelling Volume (Million Liters per Year)
2019	178,234	4,236
2018	172,446	4,219
2017	163,686	4,084

2) Don Mueang Into-plane Refuelling Station

Previously, at Don Mueang International Airport, oil companies were responsible for controlling fuel transport, storing and refuelling aviation fuel by themselves. However, after the oil shortage crisis, they were unable to provide a sufficient amount of aviation fuel, resulting in higher prices. In 1983, BAFS was therefore established according to the Cabinet resolution and was granted the right to be the sole aircraft refuelling service provider in order to support the National Policy on the development of Thai airport system capacity that meets international standards and reinforces energy security for airports and airlines.

Continuous growth in the aviation industry has allowed the Airports of Thailand Public Company Limited (AOT) to increase its investment in a new airport to increase capacity to handle the air transport demand and enhance competitiveness in the region in response to the increased demand of airlines. In 2006, most of the flights were relocated to Suvarnabhumi Airport, which was initially designed to accommodate 45 million passengers a year. However, there was a continuous increase in the number of passengers and flights. Thus, AOT decided to reopen Don Mueang International Airport for full commercial operations to ease air traffic congestion at Suvarnabhumi Airport according to the government policy. From October 1, 2012, Don Mueang International Airport has operated 24 hours a day and served as the operating base for low cost carriers (LCCs).

Currently, there are 9 fuel suppliers at Don Mueang International Airport. Besides Jet A-1 fuel refuelling service, BAFS also provides AVGAS refuelling service, for which the demand is very low and thus only available at Don Mueang International Airport, for which BAFS uses both dispenser and refueller trucks. The refuellers are used for the refuelling service at aprons where hydrant systems are not installed such as remote parking areas and the area in front of the cargo terminal, and they are also used for the defuelling service.

In 2019, there were 272,363 flights at Don Mueang International Airport, which was an increase of 0.0 percent, and 128,950 flights used the refuelling service, which was a decrease of 1.6 percent. There were 13 scheduled airlines, 12 of which were low-cost airlines. BAFS provided the aircraft refuelling service for a total of 285 scheduled and non-scheduled airlines, an average of 353 flights per day. The refuelling volume totaled 1,376 million liters per year, an average of 3.8 million liters per day, which was an increase of 11.0 percent from the previous year.

Number of Flights and Jet A-1 Refuelling Volume under Observed Temperature At Don Mueang International Airport 2017 - 2019

Year	Number of Aircraft (Flights per Year)	Refuelling Volume (Million Liters per Year)
2019	128,950	1,376
2018	131,074	1,240
2017	124,015	1,123

3) Regional airports

BAFS is the sole refuelling service provider at 3 regional airports, namely Samui, Sukhothai, and Trat, which are owned and operated by Bangkok Airways Public Company Limited (BA). BAFS has been granted a 25-year concession to provide the refueling service for all flights operated by all airlines at the 3 airports. Currently, there is only 1 out of the 9 authorized fuel suppliers at the airports.

BAFS only uses refueller trucks for both the refuelling and defuelling services at Samui Airport, Sukhothai Airport and Trat Airport, which are sufficient to handle the flights at each airport.

Number of Flights and Jet A-1 Refuelling Volume under Observed Temperature At regional airports during 2017 - 2019

Year	Number of Aircraft (Flights per Year)	Refuelling Volume (Million Liters per Year)
2019	6,669	23.6
2018	8,364	25.9
2017	10,956	30.8

1.1.2 Hydrant Systems Service

Currently, Suvarnabhumi Airport and Don Mueang International Airport are operating fuel hydrant systems for their refuelling service. The Jet A-1 fuel from the airport depots is transported by hydrant pumps through the hydrant pipelines network, which lies underneath the apron. Then, the Jet A-1 fuel is delivered from hydrant pit valves to the aircraft by the dispensers. These vehicles are equipped with meters, filter water separators, and control valves to control appropriate fuel flow rate into the aircraft. Also, hydrant control systems, leakage monitoring systems, and emergency shutdown systems are installed at every aircraft bay. When the emergency shutdown button is activated, it will send a signal by the SCADA system through the fiber optic cable to immediately close the valve at a particular section, thereby ensuring safety and service efficiency. However, in 2019, there were some changes as detailed below.

1) Suvarnabhumi Airport

The hydrant system at Suvarnabhumi Airport is operated by Thai Aviation Refuelling Company Limited (TARCO), in which BAFS and AOT hold 90 percent and 10 percent shares, respectively. TARCO has been granted a 30-year concession from AOT to construct and operate the hydrant system that is connected to BAFS's Aviation Fuel Storage Station, which is located outside the airport, where the Jet A-1 fuel supply is transferred to 120 aircraft parking bays in the airport by using the TARCO hydrant system.

The Suvarnabhumi Airport Development Project Phase 2, which is aimed at increasing airport capacity from 45 million passengers per year to 60 million passengers per year, by constructing the Midfield Satellite Building 1 to support the extra of 15 million passengers per year and its adjacent apron to accommodate 28 contact gates, of which 20 for Boeing 747-400 (Code E) and 8 for A-380 aircraft (Code F). In this project, TARCO has been granted the concession from AOT to construct and operate the hydrant system. The pipeline construction started in 2015 and is expected to be completed in 2020. According to the Suvarnabhumi Airport Development Project Phase 3, the third runway and the second passenger terminal will be constructed to accommodate up to 90 million passengers and it is expected to be completed by 2021.

2) Don Mueang International Airport

BAFS is the sole tenant and operator of the hydrant system at Don Mueang International Airport in which AOT made investments and is responsible for maintenance of the whole system.

The Cabinet approved the promotion of Suvarnabhumi Airport's position as a regional hub airport operating full-service flights and connecting flights and Don Mueang International Airport's position as LCCs hub for domestic and international point-to-point flights in order to maximize utilization of the 2 airports. Most airlines, which operate at Don Mueang International Airport, serve short-haul flights with a high flight frequency and less fuel consumption per flight and a need for a quick service due to a short turnaround time.

Currently, the LCCs market is rising sharply in both routes and flight frequency due to high competition in pricing to attract passengers. According to the report by the Civil Aviation Authority of Thailand (CAAT) on the domestic airfare in the 2nd quarter of 2019, during April - June 2019 compared to the same period of the previous year, airlines have discontinued 17 domestic routes, which reflects extremely intense competition on domestic routes and has caused airlines to search for new markets by increasing more international flights. As a result, a refuelling volume has been increased continuously. In addition, AOT has implemented the Don Mueang International Airport Development Project Phase 3 (2017-2025) to accommodate up to 40 million passengers per year, thus reaching the ultimate capacity for Don Mueang

International Airport to handle up to 40-50 flights per hour. The project includes the construction of 12 aircraft parking bays and connecting taxiways for the aircraft code C and the construction of 4 remote aircraft parking bays to accommodate the aircraft Code A or B, and 32 remote aircraft parking bays for the aircraft Code C. Such development project is expected to be completed within 2025, which will enable Don Mueang International Airport to be the world's fastest growing airport, with the growth rate of 23.2 percent per year.

1.1.3 Airport Fuel Storage Service

BAFS operates aviation fuel storage stations to serve all fuel suppliers at the airports. The fuel suppliers are responsible for supplying and transporting certified fuel products to the storage stations before being distributed to the airport and then to the aircraft. BAFS controls fuel quality according to the Aviation Fuel Quality Requirement for Jointly Operated System (AFQRJOS) and established storage operating procedures according to the Aviation Fuel Quality Control and Operating Standards for Airport Depots and Hydrants (JIG 2), issued by the Joint Inspection Group. In addition, BAFS is responsible for preparing records of fuel receipt and distribution and stock reports for all fuel suppliers. The fuel stock of each supplier depends on the proportion of their sales volume, and they have to reserve the sufficient volume to refuel their airline customers. In 2019, there were some changes as detailed below:

1) Suvarnabhumi Aviation Fuel Storage Station

BAFS invested in the Airport Aviation Fuel Storage Station located outside the airport in Bang Saothong District, Samut Prakran Province. Therefore, the operation can continue sustainably without limitation on the airport concession period. The airport fuel facilities consist of 11 hydrant pumps with a maximum capacity of 5,500 cubic meters per hour.

To ensure safe and constant pressure systems and reduce management difficulties, BAFS's Airport Aviation Fuel Storage Station is the only one that is directly connected to the hydrant system of TARCO. If fuel quality problems arise, sources and owners of fuel can then be identified. Currently, there are 5 fuel storage tanks with 15 million liters capacity each, totaling 75 million liters capacity and accounting for an average of 4 days reserve stock for the airport.

Moreover, in BAFS's Airport Aviation Fuel Storage Station, there are 3 more fuel storage tanks with 10 million liters capacity each, totaling 30 million liters capacity, leased by Fuel Pipeline Transportation Limited (FPT), BAFS's subsidiary. Therefore, there are reserves of 105 million liters in total which receives aviation fuel from 2 pipeline routes only: pipeline systems of FPT and Thai Petroleum Pipeline Company Limited (THAPPLINE).

Jet A-1 Fuel Receipt and Distribution Volume under Observed Temperature At Suvarnabhumi Aviation Fuel Storage Station during 2017 - 2019 (Unit: Million Liters)

Year	Receipt Volume	Distribution Volume
2019	4,747.9	4,762.4
2018	4,759.8	4,762.9
2017	4,605.2	4,624.0

2) Don Mueang Aviation Fuel Storage Station

Since 2013, AOT's reopening of Don Mueang International Airport for full commercial operations in parallel with Suvarnabhumi Airport in line with the government policy, has resulted in a considerable growth in flights and demands for aircraft refuelling service which also tend to increase continually every year. Currently, at the Don Mueang Aviation Fuel Storage Station, there are 4 fuel tanks with a total capacity of 31 million liters and a pumping station which consists of 2 hydrant pumps, both with a capacity of 270 cubic meters per hour each, and a jockey pump with a capacity of 70 cubic meters per hour.

In 2019, the Don Mueang Aviation Fuel Storage Station had Jet A-1 fuel reserve volume for 6.5 days, which is receiving from 2 pipeline routes: FPT and THAPPLINE.

Jet A-1 Fuel Receipt and Distribution Volume under Observed Temperature At Don Mueang Aviation Fuel Storage Station during 2017 - 2019 (Unit: Million Liters)

Year	Receipt Volume	Distribution Volume
2019	1,374.2	1,376.3
2018	1,237.9	1,239.7
2017	1,119.9	1,122.6

3) Regional Aviation Fuel Storage Stations

Besides the large-scale airports, BAFS has also the ability to provide aircraft refuelling service to small-scale airports. BAFS has invested in 3 regional aviation fuel storage stations owned and operated by Bangkok Airways Company Limited (BA): Samui, Sukhothai, and Trat.

At Sukhothai and Trat Airport, the daily flight frequency and the sales volume are slightly low, and BAFS has invested in a fuel tank with 25,000 liters capacity to receive aviation fuel that is transported by tank trucks. Unlike Samui Airport which is a large-scale airport located on an island, aviation fuel is transported by tank trucks boarding the ferry from Surat Thani Province and stored at BAFS's aviation fuel storage stations. Therefore, BAFS has ensured sufficient fuel reserve by building 3 fuel tanks with a total capacity of 1.05 million liters to reduce the risk of business disruption especially in case of natural disasters such as heavy storms which may cause interruptions to the ferry service.

Jet A-1 Fuel Receipt and Distribution Volume under Observed Temperature At Regional Aviation Fuel Storage Stations during 2017 - 2019 (Unit: Million Liters)

Year	Receipt Volume	Distribution Volume
2019	23.7	23.6
2018	25.7	25.9
2017	31.2	30.8

1.2 Pipeline Transportation Services

BAFS has invested in a fuel pipeline transportation business by holding shares in FPT, transportation company which is a multi-product pipeline, and which transports fuel by an underground pipeline from the Refinery of Bangchak Corporation Public Company Limited, the Oil Terminal of Shell Company of Thailand Limited and the Oil Terminal of Chevron (Thailand) Company Limited, which are located in Chongnonsri, then to the Don Mueang Aviation Fuel Storage Station. The ground products including diesel and gasoline are also transported in the same pipeline with a total length of 69 kilometers, which are at the Bang Pa-In Terminal, Phra Nakhon Si Ayutthaya Province, before distribution. For the Suvarnabhumi Aviation Fuel Storage Station, aviation fuel is transported by the pipeline departing from the same route and connecting to the main pipeline at the Makasan Control Station. The total length of pipeline from Makasan to Suvarnabhumi Airport is 30 kilometers.

FPT has also expanded its fuel pipeline transportation system, connects the Bang Pa-In Terminal, Phra Nakhon Si Ayutthaya Province to the Pichit Depot and the Lampang Depot in the northern region, with a total length of 569 kilometers. This project helps strengthen the stability of the country's energy reserves and also reduces fuel truck accidents and greenhouse gas emissions that cause global warming. This is the critical for infrastructure of the country in support of the ASEAN Economic Community (AEC) expansion in the future. The project construction in phase 1 from Bang Pa-In Terminal to Pichit Depot with a length of 367 kilometers was completed and started to be used since June 2019. Pichit Depot's total capacity is 70 million liters. The project phase 2 to Lampang Province with a length of 202 kilometers has been under construction and is expected to be completed by 2010.

1.3 Refueller Manufacturing and Assembly Business

BAFS has recognized the investment and business opportunities that will strengthen its core business by entering into a joint venture with Uniwave Co., Ltd. to establish a new company called "BAFS INTECH Company Limited" (BAFS INTECH), in which BAFS holds a 90 percent ownership, to design, manufacture and assemble refuelling vehicles and ground services equipment, with the registered capital of 60 million Baht. The company manufactures and assembles hydrant dispensers, refuellers and hydrant carts, both diesel-powered and even battery. At present, BAFS INTECH has ability in assembling refuelling vehicles and also provides after-sales services including repair and maintenance of different types of refuelling vehicles and ground services equipment relating to aircraft refuelling service. In addition to supporting BAFS on refuelling vehicles which have already been in service, BAFS INTECH has also targeted other into-plane service providers in the ASEAN countries, such as the Lao People's Democratic Republic and Cambodia, where the company's long-outstanding expertise in the aviation fuel business would be utilized to respond to the holistic needs of the customers. Moreover, BAFS INTECH is able to offer comprehensive service packages comprising of a refuelling truck, and after-sales services, which include maintenance and aircraft refueling safety training. In the future, BAFS INTECH sets its goals to become the leader in refuelling vehicle assembly that meets the highest international quality standards, through advanced engineering skills and expertise, as well as constantly innovating to increase the level of safety as appropriate to all airports worldwide and gain international recognition for its electric refuelling vehicle assembly.

1.4 Product Development, Design, Manufacturing and Distribution Business

BAFS established BAFS Innovation Development Company Limited (BID) to conduct the study, research, development, improvement, designing, manufacturing and distribution of products as well as licensing and innovation and technology services. Currently, BID has 3 products in support of BAFS's major activities as follows:

- KYT Voice - a voice reminder device to raise the safety awareness of refuelling operator. The operator shall perform KYT activity before moving the vehicle away from the aircraft, whereas the voice reminder shall operate. Once the operator has completed the KYT activity, he will then push a button to confirm, thereby increasing the safety in aircraft refuelling service.
- LED Fiber Optic - a lighting device for improving the visibility of the refuelling inlet hose, consisting of fiber optic cable that diffuses light to the side with LED as a source of light and enables it to be easily seen. The device helps reduce risks of other ground handling's personnel or vehicles accidentally stepping on or running over the refueling inlet hose during the low visibility environment.
- Refuelling Vehicle Inspection System Application - a refuelling vehicle inspection system installed on a tablet. It is a refuelling vehicle inspection reporting application to reduce paper work and time in preparing a report. Moreover, the application is capable of recording data and photographs, sending notifications upon users' reply or correction, and is able to retrieve the inspection record histories. The fact that the information has been gathered in the same source enables better and faster information management and easy information retrieval.

Moreover, BID still has many more proprietary products, which can be upgraded for a broader utilization. The company is also in the process of preparing to introduce and market its products, which will bring additional revenue to the company. Currently, BID is preparing a public relations plan to promote its products to outsiders.

1.5 Asset and Related Utility Service System Rental Services

Besides the businesses related to aviation fuel service, BAFS also operates other businesses associated with its core business as follows:

1) Space and fuel tank rental service at Suvarnabhumi and Don Mueang Aviation Fuel Storage Station.
2) Fuel pipeline receiving system rental service at Suvarnabhumi Aviation Fuel Storage Station: BAFS has invested in the system and charged FPT a fee for transporting fuel to its fuel tanks.
3) Space and utility rental service to install fuel pipeline receiving systems connecting the pipeline systems of THAPPLINE that has to utilize space in BAFS for its pipeline transportation.
4) Asset, land and related utility rental services.

2. Nature of Business in the Previous Year

For the aircraft refuelling service in 2019, BAFS continues to make investments to expand service capacity at Don Mueang International Airport following a continuous growth of flights. Moreover, in the previous year, the low cost carriers (LCCs) highly competed on price to attract users, experienced a drastic increase in flight routes and flight frequencies and opened more international routes. Therefore, AOT implemented the Don Mueang International Airport Development Plan Phase 3 to increase its ultimate capacity to handle 40 million passengers per year, which is expected to be completed by 2025. At present, AOT is on the process of conducting an environmental impact assessment for the Office of Natural Resources and Environmental Policy and Planning. Once the project is completed, the number of aircraft parking bays will increase from 108 to 185 and the number of contact gates from 27 to 36, which can handle 50 flights per hour.

As the number of passenger had risen while Don Mueang International Airport's slot was limited, airlines therefore had to adjust their strategies by switching from domestic flight schedules to international flights flying to popular destinations such as Japan, China, and Korea and ASEAN countries. Since the airport's capacity was fully used, in 2019, BAFS provided the aircraft refuelling service to a total of 128,950 flights, a decrease of 1.6 percent from the previous year. However, a proportion of international flights increased for 11.3 percent compared to the previous year. Accordingly, Don Mueang International Airport's percentage of international flights was 42.4 or 54,611 flights. It was found that the refuelling volume for international flights increased by 25.3 percent from the previous year. Airlines also switched to the aircraft offering more seats to accommodate more passengers. All of the above factors resulted in the total refuelling volume of 1,376 million liters, an increase of 11.0 percent, and its growth trend continues to rise.

Currently, BAFS has rented all 64 aircraft parking bays equipped with aviation fuel hydrant systems, covering all apron areas to operate underground fuel pipeline systems by 26 hydrant dispensers and provide refuelling service by 9 refueller trucks. In 2020, BAFS does not have an investment plan for additional refuelling vehicle.

Suvarnabhumi Airport, which is Thailand's main airport, was initially designed to handle 45 million passengers per year. However, in 2019, it served up to 64.9 million passengers, an increase of 3.3% from last year. AOT has, therefore, initiated the Suvarnabhumi Airport Development Project Phase 2 to increase the passenger handling capacity and alleviate congestion of passengers and flights which have continuously increased every year. The construction project, which will increase the passengers handling capacity to 60 million passengers per year, has already started on September 14, 2016. The constructions include the Midfield Satellite Building 1 with 28 contact gates, 8 of which will be capable of serving Airbus A-380 (Code F) aircraft and 20 will be serving Boeing 747-400 (Code E) aircraft and is scheduled to be completed by 2020. Then the next phase of airport expansion is to construct the third runway and the passenger terminal 2 to increase the passenger handling capacity to 90 million passengers per year. Therefore, BAFS has a plan to construct a fuel storage tanks with 15 million liters capacity to meet additional fuel required by the airport, including providing fuel suppliers and airlines additional rental spaces for storing fuel to prevent risks caused by global fuel price volatility. The construction is expected to begin within 2020. As a result, Suvarnabhumi Aviation Fuel Storage Station's total capacity will be 120 million liters.

In 2019, BAFS provided the refuelling service at Suvarnabhumi Airport to a total of 178,234 flights, an increase of 3.4 percent from the previous year, with a total of 4,236 million liters of Jet A-1 fuel which increased by 0.4 percent from the previous year. BAFS used two types of refuelling vehicle, consisting of 40 dispensers and 2 refuellers, and had 5 Jet A-1 fuel tanks with a total capacity of 75 million liters.

3. Significant Policies and Nature of Service Marketing

3.1 Marketing Strategy

Presently, BAFS still undergoes marketing efforts by entering into into-wing contracts with fuel suppliers to provide the refuelling service for airlines operating at all airports where it is a service provider. BAFS will inform fuel suppliers of service fees which will be added to other costs such as fuel costs and transportation fees to bid for an airline's tender. BAFS's refuelling service fees are separated from suppliers' fuel costs. BAFS provides service to all fuel suppliers and airlines under the same standards. In 2019, BAFS was still the market leader with 89.0 percent of market share in the refuelling volume at Suvarnabhumi Airport. BAFS's into-plane marketing strategy focuses on providing fuel suppliers' customers, namely airlines, with safe, reliable and punctual services and delivering fuel with quality that meets international standards to prevent flight delays or airline's complaints.

Moreover, BAFS conducts a customer satisfaction survey for both director customers (fuel suppliers) and indirect customers (airlines) on a yearly basis. Its departments regularly meet customers to gather suggestions and comments for improvements. In case of complaints, BAFS will immediately clarify the matters as soon as possible. BAFS also performs fuel inventory and prepares relevant reporting systems for fuel suppliers with updated daily information as well as maintains confidentiality and is careful to disclose information of fuel suppliers in accordance with the regulations based on good corporate governance principles.

3.2 Competitive Strategies

BAFS's business philosophy is to provide the refuelling service by ensuring quality according to international standards, punctuality and the highest safety. Apart from its service strategy that meets international standards and is accepted by the world's oil companies and airlines, BAFS has also pursued other strategies to compete in the market as follows:

1) **Service with International Quality Standards**

BAFS operates its service systems in compliance with the Guidelines for Aviation Fuel Quality Control & Operating Standards for Into-Plane Fuelling Services (JIG 1) and Guidelines for Aviation Fuel Quality Control & Operating Standards for Airport Depots & Hydrants (JIG 2), which were issued by the Joint Inspection Group (JIG) and endorsed by the International Air Transport Association (IATA), both of which are required for a jointly operated system. In addition, the updated and standardized operating systems and equipment has enabled BAFS to be considered as an approved training facility for airline's auditor training of the IATA Fuel Quality Pool (IFQP) and fuel suppliers of Joint Inspection Group (JIG). Additionally, BAFS has been certified by the International Standards Organization with the Quality Management System (ISO 9001:2015) and the Occupational Health and Safety Assessment Series (OHSAS 18001:2007). Therefore, all airlines can be assured that standard and quality fuels in response to customers' needs will be provided to all flights.

2) **Service Quality Assurance**

BAFS is confident that airlines will receive punctual services according to airlines' flight schedules with cutting-edge machines and tools which are equivalent to other airports worldwide as well as well-trained employees. Over the past year, BAFS has become recognized by airlines for its highest safety service and fuel quality in accordance with international standards. BAFS also allows airlines' and fuel suppliers' auditors to regularly conduct an annual audit.

3) **Competitive Pricing**

BAFS imposes a competitive pricing policy for refuelling service fees at Suvarnabhumi Airport to be at the competitive level with its competitors, namely airports in Asia. For Don Mueang International Airport, service fees are set in line with operating costs of the hydrant system, the fuel storage fees and the aircraft refuelling service fees.

4) **Safety Awareness**

BAFS places importance on occupational health and safety in working conditions by emphasizing the safety policy to control and prevent accidents, and strengthen airlines' confidence in the safety of BAFS's services. Therefore, BAFS has set up a particular department, which directly reports to the President, and provided budget support to ensure the achievement of objectives.

3.3 Pricing Policy

The pricing policy is set in accordance with international standards by taking into account the economic situation, competition and BAFS's action plans approved by the Board of Directors and executives.

3.4 Characteristics of Customers and Target Customers

BAFS's target customers include fuel suppliers that sell aviation fuel to airlines operating at Suvarnabhumi, Don Mueang, Samui, Sukhothai and Trat Airports. When fuel suppliers enter into a fuel sale and purchase contract with airlines, the into-plane service is also included in the contract called the into-wing contract.

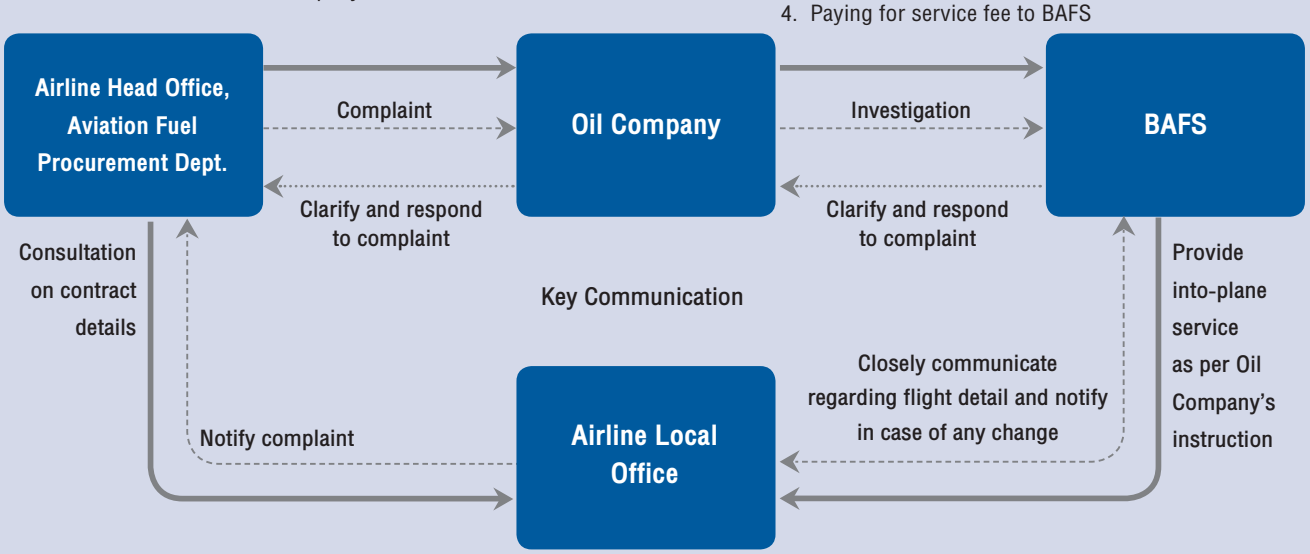
3.5 Supply and Distribution Channels

When the fuel sale and purchase contract is agreed between fuel suppliers and airlines, the fuel suppliers will inform BAFS of the details and conditions of the airlines. After that, the fuel suppliers will transfer aviation fuel to BAFS's aviation fuel storage stations which are joint depots, and BAFS will provide the into-plane service to the airline customers accordingly. BAFS will issue a delivery receipt (D/R) document to the airlines after the service of each flight and provide a total sales volume report to the fuel suppliers. Currently, BAFS provides the into-plane service at 5 airports: Suvarnabhumi, Don Mueang, Samui, Sukhothai and Trat. The refuelling service process is shown below.

Trade Relations among Oil Company - Airline - BAFS

1. Trade discussion for fuel buying-selling including all service fees
2. Making Into-wing contract or Ex-hydrant contract
3. Airline will make a payment for fuel cost together with all service fees to oil company

1. Informing contract details
2. Hire BAFS for into-plane service provided to airline, which is Into-wing contract party
3. Delivering aviation fuel to BAFS's Aviation Fuel Storage Station
4. Paying for service fee to BAFS



3.6 Conditions of Service

BAFS has 4 service conditions for airlines as follows:

(1) Service Obligation

BAFS provides the into-plane service pursuant to the contract conditions agreed between fuel suppliers and airlines. The fuel suppliers will inform BAFS of the details of airline customers prior to service operation.

(2) Fuel Carnet Card

The fuel suppliers will provide an approved list of carnet card holders and allow BAFS to service those airlines in advance of service operation.

(3) Cash Payment

In case that the airlines have no contract as in item 1 and no carnet card as in item 2, they can pay cash, which can only be in Thai Baht, for fuel cost including service fee. BAFS will be informed of the selling price from the fuel suppliers in advance. If the airlines make a service request, BAFS will collect the cash from the airlines. BAFS will temporarily keep the cash and further deliver the whole amount of cash to the fuel suppliers.

(4) P-Card

Some fuel suppliers and domestic commercial banks jointly prepare new payment system called P-Card which has features as same as credit cards. Airlines can contact the fuel suppliers that issue P-card for fuel cost and the refuelling service payment within the card balance, which is more convenient than cash payment. However, there are just a few domestic commercial banks that issue the P-card.

4. Billing and Payment Procedures for Into-Plane Service

BAFS will issue a delivery receipt (D/R) document after the refuelling service is completed. The D/R provides a record of the flight details, types and conditions of service, fuel supplier's name, fuel volume and date and time of refueling service. The airlines will receive 1 copy of the D/R. Meanwhile, BAFS will collect its original together with other copies and submit them to the fuel suppliers on a daily basis. BAFS also provides information in an electronic data format, which the fuel suppliers can access via the Internet.

BAFS will invoice the fuel suppliers on a monthly basis. The service fees will be calculated based on the total fuel sales volume refuelling to the aircraft of airlines that are customers of each fuel supplier in a particular month. Then, the fuel suppliers will invoice fuel cost, including all service fees, to the airlines, according to the conditions of the sale and purchase contracts between the fuel suppliers and the airlines.

Into-Plane Service Industry and Competition

1. Industrial Situation in the Past Year

The aviation fuel storage and aircraft refuelling service industry is growing in parallel with the tourism and airline businesses based on the volume of air traffic and flight routes. Fuel consumption of each flight is subject to aircraft type and flight distance. Thus, any factors affecting those businesses will also have a direct impact on the overall growth of aviation fuel storage and aircraft refuelling service industry.

Tourism

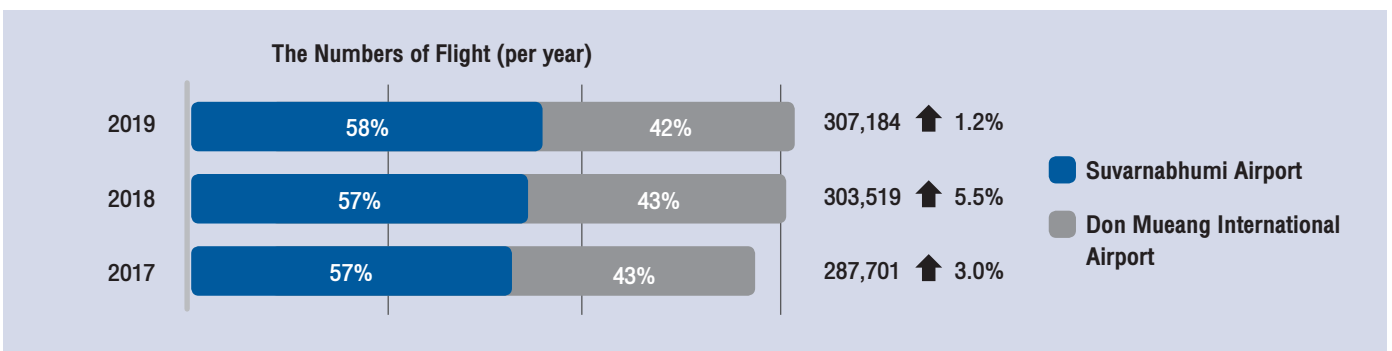
In 2019, the into-plane service was negatively affected by the tourism business. Such factors include the US and China trade war and global economic slowdown. Moreover, Thai baht's continued appreciation caused higher prices in tourism of Thailand comparing to tourism prices of neighboring countries in ASEAN. This factor directly impacted tourists when making decisions on travelling to Thailand. Despite negative effects arising from the aforementioned factors, many sectors still expected that the "tourism" would be the most important business driving the country's economy and GDP. Therefore, the government extended Visa on Arrival (VOA) fee exemption scheme for inbound tourists to April 30, 2020. Consequently, in 2019, the number of inbound foreign tourists travelling to Thailand from 21 countries positively increased by 4.2 percent or accounted for 39.8 million people in total. There was a strong 5 percent growth in the number of major tourist groups that came from Asian routes which took less than 5 hours by plane, followed by those from European which, however, decreased from the previous year by 1 percent. Meanwhile, the number of tourists who came from South Asia routes such as India, Bangladesh and Sri Lanka increased from the previous year by 21 percent, thus resulting in the volume of aircraft fuel serviced for international flight routes to grow by 4.8 percent.

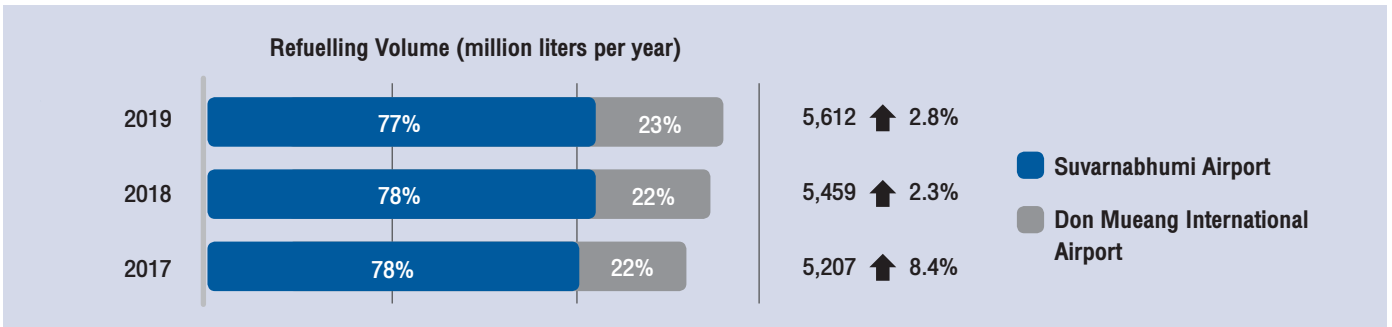
Airlines

In 2019, the airline industry had been expanded continuously due to the number of passengers travelling by air increased by 3.7 percent, especially in Asia with a proportion at 34.5 percent of the whole market. Nonetheless, the airlines worldwide are experiencing problems due to rising fuel costs during the last 4 years and current pilot salaries of which becomes 35 percent of the total cost due to pilot shortage. Currently, the proportion of pilot salaries is higher than the proportion of fuel costs which are around 20-30 percent. Therefore, many major airlines have tried harder to seek a solution by opening their own pilot training centers or collaborating with aviation personnel training centers in order to produce pilots to serve their own businesses and support future growth. For instance, Bangkok Airways established its pilot training school at its own airport in Sukhothai Province and many aviation academies. Such establishments result in a positive impact on BAFS's business since apart from providing services in Bangkok Airways PCL.' s airports, BAFS also has development and production plans for producing appropriate equipment for fuel storage service to support its customers according to their business sizes as well.

Moreover, emergence of low-cost carriers has caused excess supply in the market and high competition in pricing to attract passengers. As a result, airlines suffered losses and many foreign airlines and had gone of business. For Thailand, during the past April - June, airlines including low-cost carriers at Don Mueang International Airport discontinued 17 domestic routes and switched to operate more international flights, resulting in positive impact on refuelling volume. However, big airlines at Suvarnabhumi Airport adjusted their strategies by discontinuing flight routes and changing aircraft sizes in order to enhance aircraft management efficiency and competitiveness, resulting in negative impact on refuelling volume. Nonetheless, an overview of both airports in terms of the number of passengers, flights and refuelling volumes had grown continuously. The total number of passengers travelling through Suvarnabhumi Airport and Don Mueang International Airport was 106.7 million passengers, an increase of 2.5 percent which resulted in the increased number of flights and the refuelling volume at both airports altogether accounting for 5,612 million liters, an increase of 2.8 percent compared to the previous year.

Comparison of the Numbers of Flight and Refuelling Volume





2. Competitive Environment of the Into-Plane Service Industry

Given the increased number of tourists and passengers travelling by air, especially in the Asia-Pacific region, commercial airports in the region have become highly competitive by increasing their capacities to accommodate the growth of tourism business. The aviation fuel storage and into-plane service industry relies not only on the tourism business, but also on passenger handling capacity and number and type of flights at each airport. For example, large-scale airports that have many runways can handle a large number of flights. Also, airports with parking bays that can accommodate large-sized aircraft or operate international routes, so there will be a higher demand for into-plane services than at small-sized airports with only one runway and a few parking bays. Therefore, the refuelling volume does not depend on the number of aircraft in service but the size and strategic position of the airports instead.

Presently, there are 38 commercial airports in Thailand, categorized into primary hub and secondary hub airports and small airports which are operated by the government and private companies. However, the aircraft refuelling service is still only available at some airports, and each airport has a different policy to limit the number of into-plane service providers. Currently, Suvarnabhumi Airport is the only one that has more than one into-plane service provider and only one aviation fuel storage service provider; whereas, all the other airports have only one into-plane and one aviation fuel storage service provider. This is because most domestic airports are small-sized and airlines operate few short-haul flights. BAFS is one of the two companies that provides the into-plane service at Suvarnabhumi Airport and is the sole service provider at Don Mueang International Airport, the two primary hub airports in Thailand with high refuelling volume under Airports of Thailand Plc.'s supervision. As a result, BAFS has the highest market share in Thailand and accordingly is the market leader.

Besides the domestic competitors in the into-plane service business, BAFS does not directly compete with its international counterparts but relies on the competition of airports in acquiring airline routes and flights. Therefore, BAFS' competitors are overseas airports located in South East Asia. The oil price, which is airlines' major cost, also affects their decisions on the launching of new flight routes, at which airports to land and the increase in refuelling volume.

2.1 International Competition

At present, each international airport is continuously competing by enhancing its service efficiency and passenger handling capacity. The international airports, located in the same region and in competition with Thailand's airports, are Singapore, Hong Kong, South Korea, Malaysia, Indonesia, Vietnam and Myanmar.

Changi Airport in Singapore opened its Passenger Terminal 4 in August 2017. It served 68.3 million international passengers in 2019, an increase of 4.1 percent from the previous year, based on the actual handling capacity of 82 million passengers / year. Changi Airport is in the process of expanding the third runway, which is currently used for military flights, from 2,700 to 4,000 meters in length, so it can be used for commercial purposes and will be connected to the two current runways. The construction of the new Passenger Terminal 5 building is expected to be completed by 2020 and will be enhanced to handle 135 million passengers / year by 2025.

Hong Kong International Airport (HKIA) accommodated 71.5 million passengers and 419,730 flights in 2019, a decrease of 4.3 percent and 1.9 percent respectively from the previous year. The number of passengers exceeded its actual handling capacity of 70 passengers / year. HKIA is in the process of constructing the third runway which will increase its handling capacity to 100 million passengers / year. The airport city including hotels, shopping malls, restaurants and tourist attractions, which is the largest project in Hong Kong is under construction and expected to be completed by 2024.

Incheon International Airport in South Korea handled 71.2 million passengers and 404,104 flights in 2019, an increase of 4.2 percent and 4.3 percent respectively from the previous year. The airport has a handling capacity of 72 million passengers. Currently, it has 3 runways and 2 passenger terminals. The plans for construction of the fourth and fifth runways together with a satellite concourse were also developed and are expected to be completed by 2030, which will increase its handling capacity to 100 million passengers / year.

All three airports have been ranked among the world's top airports based on the number of airport users and passengers. They possess state-of-the-art technologies and high service efficiency, thus enabling them to become important aviation hubs and significant competitors of Suvarnabhumi Airport for the airlines using the airports as connecting points to the countries in other regions on long-haul flights. Other airports in South East Asia which are potential competitors include ones in Malaysia and Vietnam; however, they are less popular than Suvarnabhumi Airport. In other words, KLIA in Malaysia, which can accommodate 75 million passengers / year but served only 59.9 million passengers in 2018, is an important market for low-cost airlines making it a major competitor of Don Mueang International Airport. Ho Chi Minh City Airport in Vietnam, which has actually served 35.9 million passengers / year since 2018, exceeded its capacity of 25 million passengers / year. Ho Chi Minh City Airport is now expediting the plan to increase its capacity to handle 100 million passengers / year by 2030.

The IATA estimates that the number of passengers travelling in the Asia-Pacific region will be highest and ranked the world's number by 2034 and Thailand will rank among the world's top 10 most popular destinations by 2036.

The tendency for competitors which are international airports in the region is to expedite their capacity expansion in response to Asia-Pacific tourism that grows by 4-6 percent on average per year. Suvarnabhumi Airport which was designed to handle 45 million passengers / year, served up to 65.4 million passengers in 2019, while Don Mueang International Airport which its capacity was increased to handle 30 million passengers per year in 2016, served up to 41.3 million passengers / year. It is evident that there is still high travel passenger demand for Thailand as their preferred destination, but the lack of airport infrastructure hinders business growth. Therefore, if the expansion projects of Suvarnabhumi Airport and Don Mueang International Airport as well as regional ones are completed as planned, the number of passengers and flights will increase and the airports can compete with other airports in the region including Hong Kong and Singapore. These are key drivers of growth of BAFS's into-plane service business. It is expected that AOT will open the Suvarnabhumi Airport's Satellite Terminal 1 to accommodate 60 million passengers in 2020.

2.2 Domestic Competition

For into-plane services on a national level, there are 6 airports managed and operated by the AOT with Suvarnabhumi being the primary airport followed by Don Mueang, Phuket, Chiang Mai, Hat Yai and Chiang Rai. BAFS provides the aircraft refuelling services at Suvarnabhumi and Don Mueang International Airports, representing 75 percent of the total number of inbound and outbound flights operated at these 2 airports. At Suvarnabhumi Airport, BAFS has been granted as one of the two into-plane service providers, and the market share in 2019 was 89.0 percent; whereas, BAFS is the sole service provider at Don Mueang International Airport. At other airports, BAFS also has a policy to expand its investment, depending on the AOT's future concessions.

In addition to the airports that are managed and operated by the AOT, BAFS presently operates the into-plane services at Samui, Sukhothai and Trat Airports which are owned and operated by Bangkok Airways PCL in 2019. The total refuelling volume of those 3 airports was 23.6 million liters, which was a decrease of 8.9 percent from the previous year, and the total number of flights was 6,669.

The government has initiated the Eastern Economic Corridor (EEC) project as part of the strategic plan under the Thailand 4.0 initiative. The EEC project will be completed in 2023, aiming at enhancing Thailand's economic growth and transportation efficiency. The key success factor for the EEC project is the development of U-Tapao Airport to become Bangkok's third commercial airport and connect to Suvarnabhumi Airport and Don Mueang International Airport, thus increasing efficiency and capacity of air transportation in response to business and industrial expansion in the eastern area and promoting Thailand to become a major aviation hub in the Asia-Pacific region. Despite its proximity to Suvarnabhumi Airport, U-Tapao Airport shall not affect the number of passengers at Suvarnabhumi Airport. On the contrary, once the high-speed rail project is completed, it will provide passengers with a convenient travel option and can attract more users to Thailand, thus creating benefits for the country. In 2019, BAFS took a participation in a bid to invest and manage the airport's into-plane service system. When the three airports' capacities are combined, there will be 7 runways and can aggregate capacity of 160 million passengers by 2033.

There are 28 regional airports operated by the Department of Airports (DOA) and the Betong Airport is under construction, totaling 29 airports. At present, the DOA is in the process of preparing the 10-year strategic plan to enhance efficiencies and capacities of the airports as well as develop travelling networks to accommodate more passengers. The DOA has a plan to invite the private sector to engage in appropriate forms of investment, including granting AOT the right to manage some airports, which will probably be Udon Thani, Sakon Nakhon, Tak and Chumphon airports. BAFS has a strong intention to invest in all airports due to its successful experience in working with the AOT and another private company; Bangkok Airways PCL. Therefore, BAFS is ready for investments and is confident in its service competitiveness that achieves world-class standards.

3. Trends of Industry Situation and Competitive Environment in 2020

In 2020, the into-plane service is expected to continue expanding at a good pace. However, there are concerns of potential impacts on the tourism sector sparked by macro-environmental factors. Major international tourist markets including ASEAN countries, South Korea, Japan and India are still enjoying healthy growth. The government's tourism

promotion policies are expected to attract approximately 40.8 million passengers, which is 2.57 percent higher than the previous year. The increase is driven by the government's measures to stimulate tourism, for example, increasing shops and VAT refund points, extending checkpoint hours at Thailand - Malaysia and Thailand - Lao PDR to be 24 hours during weekend, and extending Visa on Arrival (VOA) fee exemption scheme for inbound tourists to April 30, 2020, including airlines' operations of new flight routes such as Hangzhou - Chiang Rai, Sendai - Bangkok, Munich - Bangkok, and Doha - Chiang Mai. In the meantime, some secondary cities become well-known and popular globally, for instance, Buri Ram that was listed in Trending Destination 2020 of Airbnb and Sukhothai that was newly selected to be creative city by UNESCO. However, there are negative factors relating to the world economy. They include war trade, Japan's VAT rise that was effective in October 2019, Europe issue (Brexit), and continued appreciation of Thai baht. Moreover, severe COVID-19 outbreak has caused the Government of China to declare closure of Wuhan and restriction on travelling in and out the city since January 23, 2020 onwards. Ongoing spread of COVID-19 has caused many countries such as Japan and Singapore to become risk countries. The situation has worsened while more than 80,000 people worldwide are infected. Travellers then become anxious and suspend their trips, resulting in a high impact on volume of aviation fuel service.

BAFS expects that the total volume of aviation fuel needed in 2020 will decrease by 2.2 percent with the total volume of 6,000 million liters or 16.4 million liters on average per day, a decrease of 138 million liters, from the previous year. The volume of aviation fuel served at Don Mueang International Airport is expected to be 1,350 million liters for 2020, a 1.9 percent decrease compared to the previous year, with the average daily volume of 3.7 million liters per day and the volume of 4,650 million liters at Suvarnabhumi Airport, a 2.4 percent increase compared to the previous year, with the average daily volume of 12.7 million liters per day.

For the market share at Suvarnabhumi Airport where there is competition in the into-plane service, BAFS has set a target of not less than 85 percent market share by implementing the strategy that focuses on the factors influencing decisions of customers (oil companies), maintaining service quality level (service with our heart), placing high priority on safety and responding to cutting-edge service technologies in order to increase satisfaction of airline customers who are indirect customers as well as ensuring continuous effective cost management and strengthening close relationships.

4. Supply of Products or Services

The core business of BAFS is to provide aviation fuel storage and into-plane services, with jet fuel supplied by the oil companies and stored at airport depots according to the User Agreements, prescribing that the fuel quality must be in accordance with the Aviation Fuel Quality Requirement for Jointly Operated System (AFQRJOS). BAFS receives jet fuel from oil companies through fuel pipelines operated by 2 companies: Fuel Pipeline Transportation (FPT) and Thai Petroleum Pipeline Co., Ltd. (THAPPLINE) which receive jet fuel directly from oil refineries or by the oil tankers where jet fuel is received from domestic oil refineries or imported from overseas.

The oil companies will develop a schedule and notify BAFS in advance, and transport sufficient volume of jet fuel to BAFS's aviation fuel storage stations for their airline customers. BAFS has set up a fuel reserve policy requiring the oil companies to ensure 1-3 days of fuel reserves of the sales volume per day. If the oil companies cannot supply fuel within the schedule time and has insufficient fuel volume, they will not be able to sell fuel to their airline customers. However, this will not affect the services operated by BAFS and the airline customers since the airlines can turn to other oil companies that have sufficient fuel reserves at the airports and still receive the into-plane service from BAFS as usual.

Future Operation Plan

Although BAFS's operating results had achieved success throughout the past 36 years, significant factors including a wide range of changes at a rapid pace today, global economic and political issues, as well as disasters and epidemics such as spread of particulate matter (PM 2.5) and coronavirus disease, all of which affect the tourism industry, resulting in uncertainty in aviation fuel services which generate core revenue of BAFS Group. According to such factors, BAFS has been creating revenue security for BAFS Group while reducing reliance on the revenue gained from its core business. BAFS therefore has analyzed information including internal and environmental factors covering economic, social and environmental perspectives to determine corporate income generation and growth that reflect a vision of sustainability organization with good management. BAFS establishes BAFS Group's growth strategy comprising three main guidelines within a 5-year operational framework in the first phase from 2020 - 2024 as follows:

1) Core business expansion: BAFS' skilled expertise in aviation fuel business has been recognized internationally and regarded as a significant strength. Thus, BAFS has high readiness on expanding its aviation fuel services to other airports domestically and internationally. Regarding such investments, BAFS shall consider proceeding by itself or forming a joint venture with other entrepreneurs. BAFS is interested in expanding the businesses to the countries with high growth potentials.

2) Adjacency business: according to BAFS' skilled expertise and bodies of knowledge, including responding more to customer requirements, BAFS shall provide services related to IT technology and software developments, production of aviation support equipment, platform development and services that are relevant to aviation and airport businesses through technologies such as blockchain and AI, etc.

3) Non-core business: BAFS shall invest in the businesses promoting sustainability and environmentally friendly. In addition to being the businesses that are in alignment with the principles of sustainable development, they shall generate BAFS's constant revenues without fluctuation due to economic situations. These businesses include generation and distribution of electricity from renewable energy (solar power, wind power or hydropower) and providing energy management system services to various organizations, etc.

In addition, to ensure that such growth strategy would be implemented effectively as well as to encourage BAFS Group's personnel on having diversified experiences. BAFS therefore established a working group to undertake BAFS Group's implementation of growth strategy.

According to the strategic plans mentioned above, BAFS's primary objectives are to create sustainability and diversify revenue risk of BAFS Group by balancing structures of revenues from its core business and non-core business to achieve the same proportion of 50:50. Such changes in revenue structures are expected to be achieved within 2035.

In 2020, BAFS sets operational plan to support its business and ensure more effectiveness. Its Don Mueang Into-plane Refuelling Station (DMK Depot) would be relocated while a new aviation refuelling system including the into-plane service office building, the refueling vehicles maintenance building, underground fuel storage tanks equipped with Jet A-1 dispenser pumps, fuel dispensing spots for Refueller vehicles, water and foam systems for fire fighting and the Test & Calibration Station would be constructed. The project is implemented to respond to Don Mueang International Airport Development Master Plan, Phase 3, which has been conducted by Airports of Thailand Public Company Limited (AOT). Moreover, BAFS has a construction project at Suvarnabhumi Aviation Fuel Storage Station (BKK Depot), whereas an aircraft fuel tank with capacity of 15 million liters would be constructed to increase aviation fuel storage capacity for supporting services at AOT's Midfield Satellite Building 1 at Suvarnabhumi Airport. The project design and construction will be started by the third quarter of 2020 and it is expected to be completed within the forth quarter of 2021.

Risk Management and Risk Factors

Bangkok Aviation Fuel Services Public Company Limited (BAFS) recognizes changes of internal and external factors that impact negatively and positively and are regarded as business risks in terms of economic, social and environmental impacts on its business operations. Therefore, BAFS places importance on improving risk management process to be in line with risk management framework according to COSO ERM 2017 : The Committee of Sponsoring Organizations of the Treadway Commission - Enterprise Risk Management 2017 that integrates risk management with strategic planning and CG Code 2017 to create sustainable business value.

Risk Management Structure

BAFS has 2 levels of risk management, namely, (1) Corporate level risk which is monitored by the Risk Management Committee (RMC) appointed by the Board Committee. The RMC is responsible for setting up a policy and oversee risk management of BAFS and subsidiaries (BAFS Group), while the Audit Committee reviews the risk management system on a quarterly basis and quarterly risk management is reported to the Board Committee for acknowledgement (2) Functional level risk which is managed by executives of each department. Risk mitigation plans in support of and in accordance with the corporate level risks are determined. Also, the progress of two levels of risk management is reported on a quarterly basis through information technology systems. The Corporate Risk and Strategic Management Office is responsible for verifying and preparing reports to be stored in a corporate risk database which allows for future reference.

Risk Management Culture

BAFS focuses on cultivating a risk management culture by communicating and raising awareness of benefits of risk management that contribute to the achievement of objectives among its employees at all levels. BAFS therefore identifies risk management success as a key performance indicator of employees at all levels as well as develops information technology systems to facilitate continuous progress reporting on risk management plans by using electronic forms. Once the employees regularly carry out risk assessments and report risk management plans, they can develop a better understanding of the implementation of risk management processes that are aligned with the risk management policies, thus further creating a risk management culture throughout the organization.

Success of continuous risk management turns different risk factors that have been managed to be within the risk appetite. As a result, BAFS has achieved good returns and is able to pay dividends to its shareholders according to the dividend payment policy on a regular basis. However, focus is still placed on risk factors as well as emerging risk factors as follows:

Risk Factors

1. Business Risks

1.1 Risks from a Single Source of Revenue

In 2019, BAFS's business comprising aviation fuel storage and aircraft refuelling services remained its major source of revenue. BAFS's revenue growth, therefore, depends on aviation refuelling volumes at the airports including Don Mueang, Suvarnabhumi, Samui, Sukhothai and Trat. BAFS collects its service fees from oil companies and Thai Airways PCL. which procures its own aviation fuel. These customers are also BAFS's major shareholders. BAFS's revenue mainly relies on one among the oil companies with a proportion at around 40-45 percent. However, according to its nature of business, BAFS has only one aircraft refuelling business competitor at Suvarnabhumi Airport. Therefore, BAFS has low risk of losing customers or such customers' liabilities, including risks relating to its customers' marketing campaigns to promote to the airlines on switching to use aviation refuelling service provided by its competitor. However, BAFS has monitored risk factors which affect and cause decline of aircraft refuelling, for example, political turmoil, global economic crisis, epidemic, natural disaster, projects related to airport capacity expansion of Airports of Thailand PCL., and high-speed rail project, etc.

Since BAFS mainly relies on revenue derived from its core business, BAFS therefore strictly monitor its key risk indicators (KRIs) and trigger points for finance, consisting of EBITDA, cash flow and total expenditure, as early warnings. In case KRIs and trigger points show that financial performance had potential to fall below targets, BAFS shall set measures to manage risk urgency, such as slowing down investment or reducing expenses in accordance with decreased revenues. As a result, BAFS is able to pay dividends to the shareholders every year. Additionally, to ensure diversification since BAFS mainly relies on revenue from its core business, BAFS established BAFS Group's growth working group to expand its core business to domestic and foreign airports as well as expand related businesses and other businesses under its investment framework being approved by the Board of Directors Meeting and considered by the Executive Committee Meeting. The business expansion will be substantially implemented in 2020.

1.2 Risk from investment projects

BAFS has invested in its construction projects and expanded its business through subsidiaries. Each project is exposed to different risks based on types of investments. However, BAFS set approaches to project risk management as follows:

1.2.1 BAFS's risk management in investment projects

A risk assessment and risk management plan is required for a project with investment of over Baht 30 million. The progress of risk management plan is continuously reported until the project is completed. In this regard, BAFS also set a project steering committee to control construction works and an inspection and acceptance committee to inspect and affirm project success.

1.2.2 Risk Management in investment projects in subsidiaries

Currently, BAFS are holding shares of 5 subsidiaries. In 2020, since BAFS shall make more investment according to BAFS Group's growth strategy, BAFS then has investment risk. However, BAFS determines that every investment project is obliged to conduct due diligence strictly. BAFS prepares expert consultants to provide and strengthen knowledge and understanding on businesses for project operators. BAFS also appoints individuals at the level of management who are knowledgeable and competent to assume the position of top executive in each company and report the performances to the Executive Committee Meeting on a monthly basis and to the Board Committee Meeting on a 6-month basis. The Risk Management Committee is authorized to oversee BAFS Group's project risk management while the subsidiaries' executives are required to report project progresses and risk managements on various issues to the Risk Management Committee Meeting on a quarterly basis.

2. Operational Risks

2.1 Risk from service quality and efficiency

Running aviation fuel storage and refuelling business, BAFS places priority on quality, safety and punctuality. Accordingly, BAFS ensures its preparedness on equipment and staff members who strictly adhere to service delivery methods. BAFS has declared its intention on ZERO Aircraft Accident to build stakeholder trust, including conducting meetings or verifications to follow up on risk management on a regular basis, with details as follows:

- Fuelling Operations Committee was established. It consists of BAFS's executives and representatives from oil companies having experiences in aircraft fuelling, to hold a quarterly meeting for an exchange of opinions about improvement of aircraft fuelling services for higher efficiency. Also, the aircraft fuelling systems shall be inspected by the Joint Inspection Group (JIG) once a year to ensure conformity to international standards.
- BAFS conducts risk management in accordance with ISO 9001:2015, OHSAS 18001:2007, and COSO ERM 2017.
- The subsidiaries include BAFS Innovation Development Co., Ltd. which undertakes creation of innovations, improvement of equipment effectiveness and development of aircraft fuelling service technologies and BAFS INTECH Co., Ltd., which operates refuellers to provide services with quality and highest safety.

2.2 Risk from the organizational capability enhancement cannot keep abreast of increasingly challenging Business Environment

An organizational capability is a critical factor of business operations amid a rapid digital transformation and a competition in a borderless world. Personnel and operational process are core components for moving toward the organization's goals. However, potential risks include an inability in developing personnel capabilities and operational process to keep abreast of change, causing the company to lose opportunities for business growth.

BAFS therefore adjusts organizational structures of the companies in BAFS Group to be congruent with one another, including selecting and developing top talent staff members to support BAFS Group's business growth. Moreover, BAFS prepares knowledge management database in its information technology to further its development of innovations and bodies of knowledge in order to expand business relating to training and consultant on aviation fuel service for the world class excellent operation.

2.3 Risks from Conflagration, Natural Disaster and Terrorism

Since BAFS's business relies on aviation fuel storage tanks located at fuel storage stations nearby the airports where its services are operated, potential risks such as fire, natural disaster, terrorism and other unpredictable hazards can significantly cause damage to individuals, assets and environment and may halt its business operation.

Therefore, BAFS has focused on managing risks in accordance with occupational health and safety management systems, including determining that its staff members shall strictly comply with the Occupational Health and Safety in Working Conditions Policy. A Committee handling a Crisis Management Center (CMC) has been set up to handle critical incidents. Moreover, BAFS has continuously developed its business continuity plan in accordance with ISO 22301:2012, thereby promoting Business Continuity Management (BCM) and mitigating business Disruption risks. Also, BAFS has implemented a partial risk transfer by insuring with Dhipaya Insurance Plc. and Bangkok Insurance Plc.

2.4 Risks of climate change

Climate change has already had observable effects on the environment, for example, PM2.5 and global warming caused by greenhouse gas which is the issue being interested worldwide with an effort to tangibly mitigate emissions of greenhouse gas. Thailand also joins Global Market Base Measure: GMBM in Pilot Phase 2021-2023, causing BAFS risk driven by change in regulation: GMBM in CORSIA, a carbon tax collection in the aviation industry.

To mitigate levels of risks related to climate change, BAFS has then established a Greenhouse Gas Emission Reduction Committee, a gathering of representatives from subsidiaries, to jointly conduct studies and seek ways to develop alternative energy and renewable energy and register the projects which can reduce greenhouse gas to receive carbon credits and drive BAFS Group towards becoming carbon neutral companies. In this regard, BAFS has participated in the Carbon Disclosure Project (CDP) as well as determined a greenhouse gas reduction plan in the sustainability strategy since 2018 until the present. In the meantime, BAFS has seen an opportunity to sell carbon credit when the Northern multi-product pipeline network expansion project of FPT starts to operate in 2020, which shall enable BAFS Group to tangibly mitigate climate variability.

3. Emerging Risks

3.1 Risks from technology advancement

Technology advancement and alternative energy begin to take more active roles in the present. Also, the government has a policy on environment that declares intention to reduce greenhouse gas emissions in accordance with the Paris Agreement dealing with climate change and promoting renewable and alternative energy as well as setting target to increase proportion of renewable energy in 2036 to be 30 percent of final energy consumption, which include energy in forms of electric power, thermal power and biofuel. These factors may cause continuous decrease of demand for fuel oil and affect businesses relating to power. However, such risks are opportunities for expanding businesses relating to renewable energy and environment as well as improving aircraft refuelling equipment and ground support equipment consuming fuel oil to be using batteries. BAFS therefore establishes a working group to undertake expansion of businesses, which shall take place in 2020, to enable BAFS Group to achieve its goal on conducting low carbon businesses.

3.2 Risks from changes due to application of digital technology

Presently, digital technology plays an important role in business operations, resulting in rapid changes in business patterns and higher efficiencies due to application of technologies such as communications technology in a borderless world, cloud, big data, robotics, machine learning, and artificial intelligence (AI), etc. Thus, if business pays no heed to such change streams, it may cause high-impact risks, for example, Kodak case study, etc. Subsequently, today's businesses have reformed their operations in order to sustain their businesses and seek for opportunities to expand businesses related to digital. BAFS also regards such emerging risks as opportunities to expand digital and software businesses, all of which enable BAFS Group to generate revenue from its customers since 2019, including studying on using blockchain to increase efficiency of aviation fuel business.

3.3 Risks from cyber threats

Relying more on technologies and ransomware threats may cause BAFS's computer operating system or network to be malfunctioning and business interruption. Moreover, disclosure of personal information or confidential information to unreliable environment is also an information technology risk. Therefore, BAFS identifies the information technology risk as the corporate risk, whereas performance on such risk management shall be reported to the Risk Management Committee, the Audit Committee, and the Board of Directors, respectively. In addition, BAFS's information technology system is audited by external auditor and its risk management is in conformity with ISO 9001:2015.

4. Financial Risks

BAFS and subsidiaries (BAFS Group) applied for loans in order to invest in its business expansion projects. Therefore, BAFS Group is obliged to pay off debts as specified in each loan agreement. However, BAFS has a strong and efficient financial risk management, whereas financial risk appetite, risk tolerance and financial key risk indicators are determined and used for regularly monitoring and controlling its financial status to be on risk tolerance. BAFS also conducts cash flow forecasting in order to consistently manage liquidity risk. Such financial risk management is determined to be a corporate risk management. The Risk Management Committee therefore is responsible for supervising entire financial risk management, including auditing by the Audit Committee and reporting to the Board of Directors, respectively.

Shareholding and Management Structures

1. Shareholding Structure

List of 10 major shareholders as of August 22, 2019 (on latest share register closing date) are as follows:

List of Names	Number of Shares	Holding (%)
1. Thai Airways International Public Company Limited	143,983,125	22.59
2. Bangkok Airways Public Co., Ltd.	60,537,000	9.50
3. Esso (Thailand) Public Company Limited	45,000,000	7.06
4. PTT Public Company Limited	45,000,000	7.06
5. The Shell Company of Thailand Limited	45,000,000	7.06
6. Airport of Thailand PLC.	31,500,000	4.94
7. Chevron (Thailand) Limited	16,000,000	2.51
8. Air Total (Thailand) Company Limited	12,750,000	2.00
9. Singapore Petroluem (Thailand) Company Limited	12,750,000	2.00
10. SUSCO Dealers Company Limited	12,750,000	2.00

2. Management Structure as of December 31, 2019

Board of Directors

The Board of Directors comprises 14 directors as follows:

List of Names	Positions
1. Mr. Palakorn Suwanrath	Chairman and Independent Director
2. M.R. Supadis Diskul	Director, Executive Chairman
3. Mr. Prakobkiat Ninnad	Director, President
4. Mr. Nattapong Samit-ampaipisarn	Director
5. Squadron Leader Soradej Namruangsri	Director
6. Mr. Puttipong Prasarttong-Osoth	Director
7. Mr. Nitinai Sirismatthakarn	Director
8. Mr. Peratak Autadej	Director
9. Mr. Kongsiam Chinwanno	Director
10. Mr. Rungroj Sivachan	Director
11. Mr. Aswin Kongsiri	Independent Director
12. Mr. Visut Montriwat	Independent Director
13. Mr. Pachara Yutidhammadamrong	Independent Director
14. Mr. Pipat Purnananda	Independent Director
Mrs. Parndao Sukhyanga	Corporate Secretary

Share held by the Board of Directors

List of Names	Shareholding of the Company		
Board of Directors	As of January 1, 2019	As of December 31, 2019	Increase / (Decrease) of Shares during the Year (Share)
1. Mr. Palakorn Suwanrath	-	-	-
2. M.R. Supadis Diskul	1,300,000	1,400,000	100,000
Spouse	2,940,000	3,000,000	60,000
3. Mr. Prakobkiat Ninnad	73,800	73,800	-
4. Mr. Nattapong Samit-ampaipisarn[1/]	N/A	-	-
5. Squadron Leader Soradej Namruangsri[2/]	N/A	-	-
6. Mr. Puttipong Prasarttong-Osoth	25,000	25,000	-
7. Mr. Nitinai Sirismatthakarn	-	-	-
8. Mr. Peratak Autadej	-	-	-
9. Mr. Kongsiam Chinwanno	-	-	-
10. Mr. Rungroj Sivachan	-	-	-
11. Mr. Aswin Kongsiri	100,000	100,000	
Spouse	50,000	50,000	-
12. Mr. Visut Montriwat	-	-	-
13. Mr. Pachara Yutidhammadamrong	-	-	-
14. Mr. Pipat Purnananda	140,000	200,000	60,000
Mr. Surachai Piencharoensak[3/]	-	N/A	N/A
Squadron Leader Pongtorn Thepkanjana[4/]	-	N/A	N/A

Remarks

The information in the table shows the spouse and minor children's shareholding in the Company only.

N/A - information not available

[1/] As a Director on August 7, 2019

[2/] As a Director on November 13, 2019

[3/] Resigning from a Director on October 1, 2019

[4/] Resigning from a Director on October 1, 2019

Share held by the Share held by Executives

List of Names	Shareholding of the Company		
Executives	As of January 1, 2019	As of December 31, 2019	Increase / (Decrease) of Shares during the Year (Share)
1. Mr. Prakobkiat Ninnad	73,800	73,800	-
2. M.L. Nathasit Diskul[1/]	310,000	400,000	90,000
3. Mr. Charoen Charusalaipong	-	-	-
4. Mr. Kanit Seetong	7,500	7,500	-
5. Mr. Suwatchai Patcharasaengthong	-	-	-
6. Miss Prapis Ruthairung	4,000	4,000	-
7. Mrs. Jirapat Charoenbhantaraks	1,250	1,250	-
Spouse	5,000	5,000	-
8. Miss Yuphadee Tongaroonsri	20,625	20,625	-
9. Mr. Nattapol Narkuam	-	-	-
10. Mrs. Mayuree Nalinwong	37,500	37,500	-
11. Miss Saowapak Jungpattanaphong	116,250	116,250	-
12. Mr. Pariwat Vattanasup	73,125	73,125	-
13. Mr. Gritt Madisara	-	-	-
Spouse	35,400	35,400	-
14. Mr. Aniruth Boonyatirana	67,500	67,500	-
Mr. Amnuay Pahuvanich[2/]	-	N/A	N/A

Remarks

The information in the table shows the spouse and minor children's shareholding in the Company only.

N/A - information not available

[1/] As the Vice President and Acting for Director - Business Development & Marketing on January 1, 2019

[2/] Retired on November 30, 2019

Meeting Attendance of the Board of Directors and Board-Committees

List of Names	Meeting Attendance of Year 2019 (Number of Meeting Attendances / Total Numbers of Meetings)						
	The Board of Directors Meeting 5 Times	The Board of Directors (Non-Executive Directors) Meeting 1 Time	The Audit Committee Meeting 5 Times	The Remuneration Committee Meeting 3 Times	The Nominating and Corporate Governance Meeting Committee 5 Times	The Risk Management Committee Meeting 6 Times	The Corporate Sustainability Committee Meeting 4 Times
1. Mr. Palakorn Suwanrath	5/5	1/1	-	-	-	-	-
2. M.R. Supadis Diskul	5/5	-	-	3/3	5/5	6/6	3/4
3. Mr. Prakobkiat Ninnad	5/5	-	-	3/3	5/5	6/6	4/4
4. Mr. Nattapong Samit-ampaipisarn[1/]	3/3	1/1	-	-	-	-	-
5. Squadron Leader Soradej Namruangsri[2/]	2/2	1/1	-	-	-		
6. Mr. Puttipong Prasarttong-Osoth	4/5	0/1	-	-	-	-	-
7. Mr. Nitinai Sirismatthakarn	5/5	1/1	-	-	-	-	-
8. Mr. Peratak autadej	5/5	1/1	-	-	-	-	-
9. Mr. Kongsiam Chinwanno	4/5	1/1	-	-	-	-	-
10. Mr. Rungroj Sivachan	5/5	1/1	-	-	-	-	-
11. Mr. Aswin Kongsiri	5/5	1/1	-	-	5/5	6/6	-
12. Mr. Visut Montriwat	5/5	1/1	5/5	3/3	-	-	-
13. Mr. Pachara Yutidhammadamrong	5/5	1/1	5/5	3/3	-	-	-
14. Mr. Pipat Purnananda[3/]	5/5	1/1	5/5	-	0/0	6/6	-
Mr. Surachai Piencharoensak[4/]	3/3	-	-	-	2/3	-	-
Squadron Leader Pongtorn Thepkanjana[5/]	3/3	-	-	-	-	-	-

Remarks

1/ As a Director on August 7, 2019 (replacing Mrs. Usanee Sangsingkeo), therefore, his attendance for the Board of Directors Meetings was 3 sessions only.

2/ As a Director on November 13, 2019 (replacing Squadron Leader Pongtorn Thepkanjana), therefore, his attendance for the Board of Directors Meetings was 2 sessions only.

3/ As a Nominating and Corporate Governance Committee Director on December 16, 2019 (replacing Mr. Surachai Piencharoensak), therefore, No meeting the Nominating and Corporate Governance Committee Meeting after was appointed.

4/ Resigning from a Director on October 1, 2019, therefore his attendance for the Board of Directors Meetings was 3 sessions only and his attendance for the Nominating and Corporate Governance Committee Meeting was 3 sessions only.

5/ Resigning from a Director on October 1, 2019, therefore, his attendance for the Board of Directors Meetings was 3 sessions only.

Directors and Authorized Signatories of the Company

Authorized directors whose signatures are recognized as binding on the Company are M.R. Supadis Diskul, Mr. Prakobkiat Ninnad, Mr. Peratak Autadej, Mr. Nitinai Sirismatthakarn, Mr. Kongsiam Chinwanno, Mr. Rungroj Sivachan, Mr. Puttipong Prasarttong-Osoth, Mr. Nattapong Samit-ampaipisarn, Squadron Leader Soradej Namruangsri whereby any two of the directors sign and affix the Company's seal.

Composition and Appointment of Director

The Articles of Association and Board Charter of the company determine the composition, appointment, removal or termination of the Company's director with detail as follows:

- A Board of Directors shall consist of not less than 11, but not more than 15 directors, each of whom shall be appointment and removed by the Shareholders meeting. At least half of the directors shall be reside within the Kingdom of Thailand. Each of directors must be qualified according to law.
- A director shall be appointment by the Shareholders Meeting with majority vote in accordance with defined rules and procedures.
- At every Annual General Meeting of Shareholders, one-third of the directors must retire whereby the director who has held office longest shall be a first person to retire. The directors who retire by rotation shall be eligible for re-election.
- A General Meeting of Shareholders may vote on any director to retire before his/her expiration of term by vote of not less than three fourth of the number of shareholders attending present shareholders, who entitled to vote and holding shares amounting to not less than one-half of the shares held by the present shareholders, who entitled to vote.

Retirement of the Company's Director

The Board of Directors stipulates retirement ages of the Company's director as follows:

- Each individual candidate nominated for being the Company's director shall not exceed 77 years old and remain healthy.
- Each director shall retire on the last day of birth month in which his/her age is completed 77 years old.
- The Managing Director shall retire on the last day of birth month in which his/her age is completed 65 years old.

Roles and Responsibilities of the Board of Directors

According to the Articles of Association and Board Charter of the company, the directors must perform their duties with honesty and care for the Company's interests in accordance with laws, the company's objectives and regulations including the shareholders meetings' resolutions. The directors must undertake their responsibilities with integrity including taking into account the Company's benefits.

The Board of Directors may appoint another person to conduct the Company's business under supervision of the Board of Directors or the Managing Director. The Board of Directors may provide authority to such person within the period of time as deems appropriates. The Board of Directors may revoke or change or revise such authority given.

Roles and Responsibilities of the President

The Board of Directors has appointed a President as authorized person to perform various duties on behalf of the Company as shown in its power of attorney, which can be summarized as follows:

- The Company's normal business activities, which are engaged in the limit not to exceed Baht 10,000,000 except investments in financial negotiable note and treasury bonds including predetermined operating expenses, which shall be conducted in accordance with terms and conditions specified by the Company.
- Any juristic act, contract, agreement, or obligation on behalf of the Company, which the Board of Directors has already approved or consented.
- Employment, wage payment, displacement and others as necessary and expedient for the employees.
- Appointments of lawyer and legal counsel.
- To act on behalf or as representative of the Company in any affair with government agency, state enterprise or other organization established by law.
- Appointment and transfer sub of attorney-in-fact or a representative.

Nonetheless, authorization given under the scope of authority and duties specified shall not constitute authorization that causes a managing director or stakeholders to approve any transaction which may be a conflict or conflict of interest to the Company and its subsidiaries.

Corporate Secretary

The Board of Directors has appointed Mrs. Parndao Sukhyanga to be the Corporate Secretary since February 27, 2013. The Corporate Secretary shall perform duties with accountability, carefulness, honesty in accordance with law and other relevant regulations. The Corporate Secretary is to provide legal advice, code of conduct that related to the Company's Article of Association and regulations to the Board of Directors and executives. In the meantime, the Corporate Secretary is to liaison to ensure that the Company's objectives and Article of Association, shareholders and the Board of Directors' resolutions including relevant laws and regulatory are complied to meet requirements of good corporate governance practices. Moreover, the Corporate Secretary is to coordinate and manage the meetings of the Board of Directors and the Company's committees including shareholders meeting as well as handle the Board of Directors' activities. In addition, the Corporate Secretary is to organize and keep the Company's documents such as directors registration, notice of meetings, the Board of Directors and Shareholders' meeting minutes and the Company's annual report, etc. The Corporate Secretary's brief biography as follows:

Mrs. Parndao Sukhyanga

Corporate Secretary

Age 55 years old

Holding the Company's share for 0.002% (holding 18,750 shares under her own name) (No Shareholding changed in 2019)

Education Background / Trainings

- Master of Business Administration, National University, San Diego, USA
- Bachelor of Laws, Thammasat University
- Company Secretary Program; class 9/2004, Effective Minute Taking, Board Reporting Program, Company Reporting Program and Anti-Corruption: The Practical Guide from Thai Institute of Directors (IOD).
- Good Governance for Sustainable Development for High-Level Executive; Class 3 from Institute for Good Governance Promotion.
- CG code workshop; Deloitte Touche Tohmatsu Limited.
- Business and Human Rights; The Stock Exchange of Thailand

Other Current Position

Assistant Director - Corporate Secretary Office,	Bangkok Aviation Fuel Services Public Company Limited

Work Experiences

Assistant Director Corporate Secretary Social Affairs Office,	Bangkok Aviation Fuel Services Public Company Limited
Executive Assistant of Corporate Secretary & Social Affairs Office,	Bangkok Aviation Fuel Services Public Company Limited
Legal Supervisor	Bangkok Aviation Fuel Services Public Company Limited

Board of Director and Sub-Committee

The Board of Directors has set up sub-committees to support in studying and undertaking works to increase its working efficiency. The Sub Committees comprise the Audit Committee, the Remuneration Committee, the Nomination and Corporate Governance Committee including the Risk Management Committee. Detail of compositions, roles and responsibilities of committees is shown in section: "Corporate Governance"

Executive Management

Its detail is shown in section: "Executives Management".

3. Remuneration of Directors and Executives

3.1 Monetary Compensation

3.1.1 The remuneration of the Board of Directors is approved by the General Meeting of Shareholders as proposed by the Board of Directors and screened by the Remuneration Committee. The detail is as follows:

- Monthly Compensation: the Chairman is paid for 45,000 Baht/month; each of the Directors is paid 30,000 Baht/month.
- Meeting allowance: the Chairman is paid for 30,000 Baht/1 time of meeting attendance; each of the Directors is paid 20,000 Baht/1 time of meeting attendance.
- The Board of Directors' remuneration (bonus): is paid in accordance with policy and conditions of Directors' remuneration which is considered and screened by the Remuneration Committee and the Board of Directors, in which is proposed to the General Meeting of Shareholders on yearly basis.

3.1.2 The remuneration of the Audit Committee is approved by the General Meeting of Shareholders, as proposed by the Board of Directors and screened by the Remuneration Committee. The detail is as follows:

- Monthly Compensation: the Chairman of the Audit Committee is paid for 37,500 Baht/month; each of the Audit Directors is paid for 30,000 Baht/month.
- Meeting allowance: the Chairman of the Audit Committee is paid for 25,000 Baht/1 time of meeting attendance; each of the Audit Directors is paid for 20,000 Baht/1 time of meeting attendance.

3.1.3 The remunerations of the Risk Management Committee, the Remuneration Committee, and the Nomination and Corporate Governance Committee are approved by the General Meeting of Shareholders, as proposed by the Board of Directors and screened by the Remuneration Committee. The detail is as follows: - Meeting allowance: the Chairmen of the Committees are paid 12,500 Baht/ 1 time of meeting attendance; each Director is paid 10,000 Baht/1 time of meeting attendance.

Remuneration of the Company's Directors

Number of the Company's Directors	14 Directors
Total Remuneration of the Company's Directors, who act as the Company's Directors, the Audit Directors and Directors of other Committees include Risk Management Directors, Remuneration Directors, and Nomination and Corporate Governance Directors	
Year 2019	24,122,193.55 Baht
Year 2018	22,672,177.37 Baht

The remuneration of year 2019 can be individually detailed as follows:

Name	Position	Remuneration of the Company's Directors	Remuneration of the Audit Committee	Remuneration of Directors of Other Committees	Bonus of Year 2018 Which Paid in Year 2019	Total	Remuneration of the Subsidiaries' Directors
1. Mr. Palakorn Suwanrath	Chairman	690,000	-	-	1,572,100	2,262,100	-
2. M.R. Supadis Diskul	Director	460,000	-	140,000	1,048,000	1,648,000	1,176,919
3. Mr. Prakobkiat Ninnad	Director	460,000	-	140,000	1,048,000	1,648,000	1,088,162
4. Mr. Nattapong Samit-ampaipisarn	Director	204,193.55	-	-	-	204,193.55	-
5. Squadron Leader Soradej Namruangsri	Director	88,000	-	-	-	88,000	-
6. Mr. Puttipong Prasarttong-Osoth	Director	440,000	-	-	419,200	859,200	355,027
7. Mr. Nitinai Sirismatthakarn	Director	460,000	-	-	1,048,000	1,508,000	-
8. Mr. Peratak Autadej	Director	460,000	-	-	1,048,000	1,508,000	-
9. Mr. Kongsiam Chinwanno*	Director	440,000	-	-	1,048,000	1,488,000	-
10. Mr. Rungroj Sivachan**	Director	460,000	-	-	1,048,000	1,508,000	-
11. Mr. Aswin Kongsiri	Director	460,000	-	137,500	1,048,000	1,645,500	-
12. Mr. Visut Montriwat	Director	460,000	460,000	37,500	1,048,000	2,005,500	703,135
13. Mr. Pachara Yutidhammadamrong	Director	460,000	575,000	30,000	1,048,000	2,113,000	703,135
14. Mr. Pipat Purnananda	Director	460,000	460,000	60,000	1,048,000	2,028,000	703,135
15. Mrs. Usanee Sangsingkeo	Former Director	-	-	-	832,700	832,700	-
16. Mr. Surachai Piencharoensak	Former Director	330,000	-	20,000	1,048,000	1,398,000	-
17. Squadron Leader Pongtorn Thepkanjana	Former Director	330,000	-	-	1,048,000	1,378,000	-
Total		**6,662,193.55**	**1,495,000**	**565,000**	**15,400,000**	**24,122,193.55**	**4,729,513**

Remarks

* The Company provides remuneration to the Esso (Thailand) Public Company Limited, which Mr. Kongsiam Chinwanno is a representative.

** The Company provides remuneration to the Shell Company of Thailand Limited, which Mr. Rungroj Sivachan is a representative.

Remuneration of Executives

Number of the Executives	11 Executives
Types of Remuneration*	Salary, Gratuity (Bonus), Fringe Benefit
Total Remuneration of Executives	
Year 2019	63,216,909.42 Baht
Year 2018	56,958,461.27 Baht

* For total amount of post-employment benefits upon retirement, which is advantage for employees who have worked for the Company before the setup of provident fund, it is depended on each employee's salary base and number of working years.

Nonetheless, the employees and executives, who have worked for the Company before setting up of provident fund, are able to choose to be members of the provident fund or remain in retirement benefit program. In case of choosing to be member of the provident fund, the Company guarantees that the amount of provident fund benefits shall not be lower than that of the retirement benefits.

3.2 Other Remunerations

The Company provides other remunerations for the executives as well as for all permanent employees. It is the provident fund, in which after setting up, provided to the employees who participate as its member. The contribution rate shall be a percentage rate of employee's progressive salary in accordance with the Company's regulations.

Provident Fund Contributions Granted to the Executives

Number of the Executives	11 Executives
Amount of Provident Fund Contributions	
Year 2019	5,523,262.66 Baht
Year 2018	4,300,161.43 Baht

4. Corporate Governance, Insider Information Usage Control and Internal Control

Detail is shown in section "Corporate Governance"

5. Dividend Payment Policy of the Company and Its Subsidiaries

The Company imposes policy to pay dividends to its shareholders in the amount of not less than 50% of net profit after tax, and legal reserve and other reserves in the amount of not less than 10% by calculating from the net profit as of the Company's financial statement. Only such ratio of dividend declaration in subject to Company's liquidity and investment plans. Over the past years, the Company had paid the dividends in accordance with its policy with detail as follows:

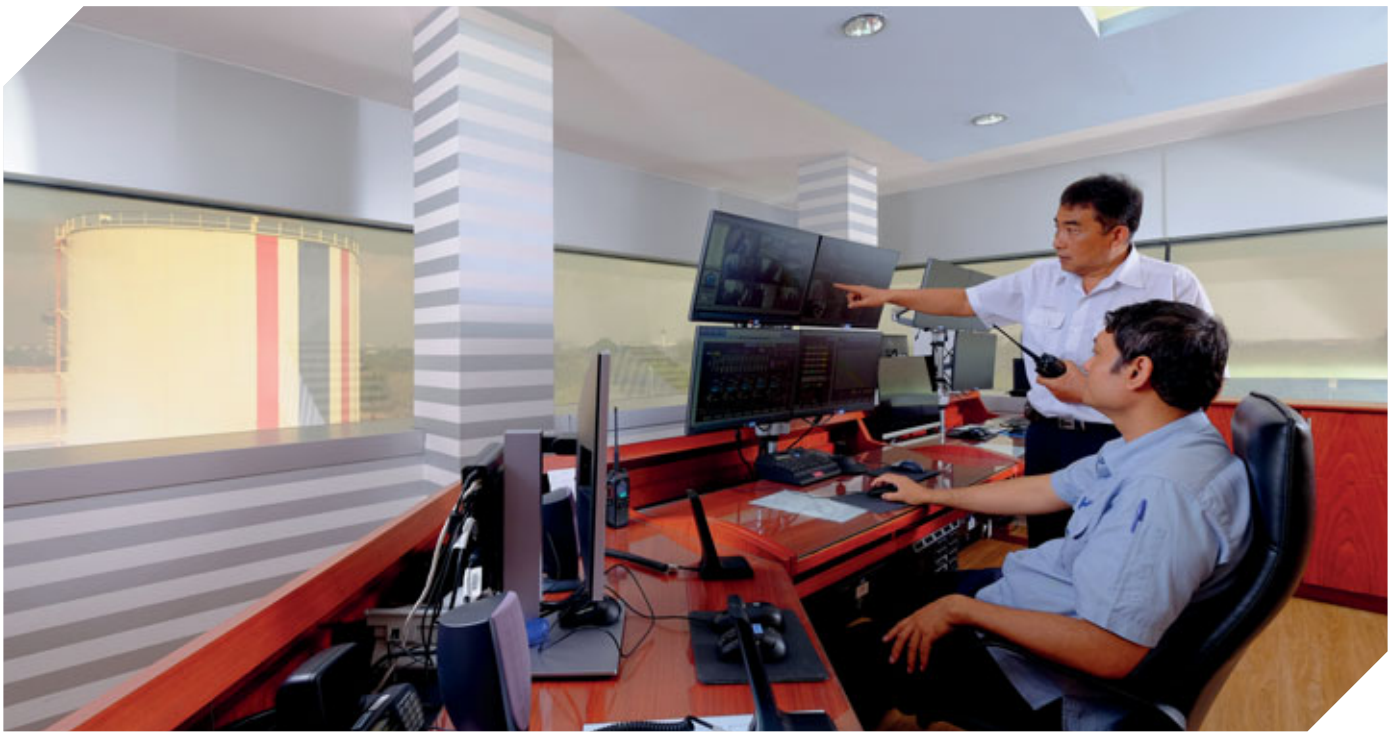
Year	Dividend Payment (Million Baht)	Dividend Per Share (Baht)	Percentage of Net Profit (the Company's Financial Statements)	
			Before Reserves Deduction	After Reserves Deduction
2018	873.4	1.37	93	116
2017	796.9	1.25	93	116
2016	956.2	1.50	68	85
2015	701.2	1.10	82	103
2014	561.1	1.10	81	102

In year 2019, the Company paid interim dividends to the shareholders for 1 Time consisting on September 6, 2019 for Baht 0.23 per share. In addition, on February 26, 2020, the Board of Directors Meeting approved for additional annual dividend payment of year 2019 to the shareholders for Baht 1.02 per share. Thus, total dividend payment of year 2019 was 1.25 baht per share in which equal to 81% of the net profit (after reserves). It is therefore, processed in accordance with the dividend payment policy of the Company and will be proposed to the 2020 Annual General Meeting of Shareholders accordingly.

In addition, the Company's subsidiaries impose the dividend payment policies with details as follows:

- Thai Aviation Refuelling Company Limited imposes the dividend payment policy in the amount of not less than 60% of the net profit after legal reserve and other reserves and 30% of the net profit after reserves in the year that the company has an investment.
- Fuel Pipeline Transportation Limited imposes the dividend payment policy, whereas the amount of dividends paid out considered by the Board of Directors is depended on the Company's liquidity and business expansion plan.
- Into-plane Services Company Limited, BAFS Innovation Development Company Limited and BAFS INTECH Company Limited have not had the dividend payment policy to the shareholders yet.

Corporate Governance



Good Corporate Governance Practice

The Board of Directors of Bangkok Aviation Fuel Services Public Company Limited (BAFS) recognizes the importance of conducting business with strict adherence to the Principle of Good Corporate Governance for Listed Companies issued by the Stock Exchange of Thailand (SET) as well as the Corporate Governance Code 2560 (CG Code) for listed companies issued by Securities and Exchange Commission (SEC). The Board of Directors considered and reviewed the CG Code in order to apply it in accordance with BAFS's business context. However, the policy which limits the tenure of independent directors to nine years is still not suitable for BAFS's business context. Given that BAFS operates a particular business which requires continued knowledge and experience of directors, BAFS has therefore found it appropriate to adhere to its existing policy. Moreover, in case that BAFS deems that other practices are more appropriate for its business context and BAFS has later implemented them, BAFS shall record the reasons of those practices accordingly.

BAFS also appoints Mrs. Parndao Sukhayanga to take the role of Head of Compliance Supervision, serving as a center of business operating supervision. Her duties are to ensure compliance with laws, rules, regulations, policies including provisions of relevant government agencies such as the SEC and the SET. Details are shown in the section of "Shareholding and Management Structure".

1. Good Corporate Governance and Anti-Corruption Policy

The Board of Directors defined in writing the Corporate Governance Policy in year 2002 which was changed to the Good Corporate Governance and Anti-Corruption Policy. The details of the policy have been improved continually to ensure its appropriateness. The Nominating and Corporate Governance Committees shall regularly consider, review and improve such policy at least once (1) a year to ensure that it is up-to-date and consistent with international standards, laws, rules and regulations and recommendations of corporate governance regulatory agencies.

In 2019, BAFS revised and improved its Good Corporate Governance and Anti-Corruption Policy as well as its Code of Conduct and other relevant policies and criteria to ensure their consistency with the CG Code and updates, all of which demonstrate BAFS's commitment to implementing practices of the CG Code.

In addition, to enhance performances and supervisions of directors as well as to ensure functional and practical oversight of the management with appropriate continuity to meet expectations of shareholders and stakeholders, the Board of Directors set up the Nominating and Corporate Governance Committee. Its roles are to oversee, monitor and provide advices to directors and the management regarding their duties and responsibilities in accordance with the Good Corporate Governance and Anti-Corruption Policy. The Nominating and Corporate Governance Committee also oversees the corporate governance working group's monitoring on compliance of Code of Conduct, preparing Code of Conduct compliance assessment and improving such assessment on a yearly basis to ensure its ongoing appropriateness.

BAFS is fully committed to preventing and countering all kinds of corruption. Hence, to ensure that corruption risks are cautiously considered and managed, BAFS has therefore imposed the Anti-Corruption Policy which is used as clear operational guidelines for BAFS and subsidiaries as well as their directors and employees and has communicated the Anti-Corruption Policy to the associates. BAFS has also developed a manual on Anti-Corruption measures as practice guidelines for its executives and employees. Additionally, BAFS has been continually certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption until the present.

Due to its continuous commitment to good corporate governance, BAFS was rated Excellent for Corporate Governance Report of Thai Listed Companies (CGR) 2019 by the Thai Institute of Directors (IOD) for the 11th consecutive year.

2. Subcommittees

The Board of Directors sets up committees to look into and screen details of tasks in order to enhance its efficiency and transparency. Moreover, to ensure true independence of all subcommittees, the Chairman of the Board of Directors is not a Chairman or a member in any subcommittee.

BAFS clearly defines composition, duties and responsibilities of the committees as follows:

Audit Committee

The Audit Committee consists of 3 independent directors whose qualifications meet BAFS and Capital Market Supervisory Board's requirements. Each member of the Audit Committee has a 3-year term of office. Its members include:

1.	Mr. Pachara Yutidhammadamrong	(Independent Director)	Chairman of Audit Committee
2.	Mr. Visut Montriwat	(Independent Director)	Audit Committee Director
3.	Mr. Pipat Purnananda	(Independent Director)	Audit Committee Director
	Mrs. Mayuree Nalinwong	(Director-Internal Audit Office)	Audit Committee Secretary

Mr. Visut Montriwat and Mr. Pipat Purnananda are Audit Committee members who have adequate knowledge and experience to perform financial statement audits as described in the section of "Board of Directors".

The Audit Committee regularly reports to the Board of Directors and performs its duties in accordance with the charter of Audit Committee approved by the Board of Directors, with details as follows:

"To review accuracy, adequacy and credibility of BAFS's financial reporting and performance information; to review appropriateness and efficiency of BAFS's internal control and internal audit systems; to consider Internal Control Unit's independence and approve appointment, transfer and dismissal of Head of Internal Control Unit; to review BAFS's compliance with the Securities and Exchange Law, SET regulations, laws related to BAFS's business, obligations to external parties as well as BAFS's Anti-Corruption measures; To review the Company's compliance with the Private Sector Collective Action Coalition Against Corruption, including the reference documents and Self-Evaluation Tool for Countering Bribery; to review that BAFS maintains its assets properly; to review BAFS's risk management and internal control systems independently; to consider, select and provide recommendations regarding appointment and remuneration of auditor as well as dismissal of interim auditor; to attend the meeting with the auditor without participation of the management at least once a year; to consider connected transactions or transactions that may have conflict of interest and ensure that they are in compliance with the laws and SET regulations; to consider and review the charter of the Audit Committee at least once a year; to regularly conduct collective assessments and self-assessments of Audit Committee on a yearly basis; to consider and approve auditing annual plan, budget and workforce endorsed by the President to prepare an Audit Committee Report to be disclosed in BAFS's Annual Report; to has authority to employ professional consultants and invite executives or related persons to provide opinions; and to perform any other duties assigned by the Board of Directors."

To increase its business value and improve its business operations, BAFS set up the Independent Internal Audit Unit to independently provide trust and reliable advice. Mrs. Mayuree Nalinwong, Director-Internal Audit Office was appointed as Head of Internal Audit Unit. Details are shown in the section of "Management Team".

The Audit Committee considers that the Head of Internal Audit Unit possesses education, experience and trainings that are adequate and appropriate for the role. The Head of Internal Audit Unit shall apply her knowledge, professional skills and independence on duties and responsibilities. The appointment, transfer and dismissal of Head of Internal Control Unit shall be approved by the Audit Committee.

Remuneration Committee

The Remuneration Committee consists of BAFS's director for at least 3, but not more than 4 of them. At least 1 of them is an independent director. Each member of the Remuneration Committee has a 2-year term of office. The Executive Chairman and the President are also members of the Remuneration Committee by position. Its members include:

1.	Mr. Visut Montriwat	(Independent Director)	Chairman of the Remuneration Committee
2.	Mr. Pachara Yutidhammadamrong	(Independent Director)	Remuneration Committee Director
3.	M.R. Supadis Diskul	(Executive Chairman)	Remuneration Committee Director
4.	Mr. Prakobkiat Ninnad	(President)	Remuneration Committee Director
	Ms. Prapis Ruthairung	(Director-Finance & Accounting)	Remuneration Committee Secretary

The Remuneration Committee regularly reports to the Board of Directors and performs its duties in accordance with the charter of Remuneration Committee approved by the Board of Directors, with details as follows:

"To consider and determine compensation, gratuity, meeting allowance, reward, bonus and other compensation for the Board of Directors, the Audit Committee, the Nominating and Corporate Governance Committee, the Risk Management Committee, the Remuneration Committee, the Fuel Oil Control Committee (FOC), the Executive

Chairman, the President the Subcommittees and other Committees of BAFS and propose such details to the Board of Directors or the Shareholders' Meeting for approval as appropriate; to consider other matters assigned by the Board of Directors; to has authority to hire professional consultants on an ad-hoc basis paid by the company as deemed necessary. BAFS shall report the information about the consultants as well as their independence or non-conflict of interest to the Board of Directors for acknowledgement and shall disclose such information in the Annual Report."

In addition, the Remuneration Committee shall consider interim dividend and annual dividend payments as well as propose such payments to the Board of Directors or the Shareholders Meeting for approval, as the case may be.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee comprises no less than 3 BAFS's directors. Each member of the Nominating and Corporate Governance Committee has a 2-year term of office. The Chairman of the Nominating and Corporate Governance Committee is an independent director. Its members include:

1.	Mr. Aswin Kongsiri	(Independent Director)	Chairman of Nominating and Corporate Governance Committee
2.	Mr. Pipat Purnananda	(Independent Director)	Nominating and Corporate Governance Committee Director
3.	M.R. Supadis Diskul	(Executive Chairman)	Nominating and Corporate Governance Committee Director
4.	Mr. Prakobkiat Ninnad	(President)	Nominating and Corporate Governance Committee Director
	Mr. Surachai Piencharoensak[1/]	(Director)	Nominating and Corporate Governance Committee Director
	Mrs. Parndao Sukhayanga	(Corporate Secretary)	Nominating and Corporate Governance Committee Secretary

The Nominating and Corporate Governance Committee regularly reports to the Board of Directors and performs its duties in accordance with the charter of Nominating and Corporate Governance Committee, as approved by the Board of Directors, with details as follows:

"To regularly consider appropriateness of the number and composition of the Board of Directors and to propose such details to the Board of Directors and/or the Shareholders Meeting for approval; to consider and select persons who have diverse knowledge, capabilities and experience with qualifications and do not have any prohibited characteristics as stipulated in these criteria and other relevant laws or regulations, to fill the vacant positions of Directors and President. Once the selection is completed, the Nominating and Corporate Governance Committee shall propose a name list of selected persons to the Board of Directors Meeting; to specify terms and conditions of President employment agreement which will be further proposed to the Board of Directors Meeting.

In addition, the Nominating and Corporate Governance Committee has authority to hire professional consultants on an ad-hoc basis paid by the company as deemed necessary. BAFS shall report the information about the consultants as well as their independence or non-conflict of interest to the Board of Directors for acknowledgement and shall disclose such information in the Annual Report.

The Nominating and Corporate Governance Committee has authority to invite executives or related persons to attend the meeting and provide opinions or submit any relevant or necessary documents as well as performs any other duties assigned by the Board of Directors.

[1/] Resigning from a Director on October 1, 2019.

The Nominating and Corporate Governance Committee shall perform its duties impartially and righteously without causing any conflict of interest. With regard to the corporate governance, the Nominating and Corporate Governance Committee shall define the Good Corporate Governance and Anti-Corruption Policy scope to be proposed to the Board of Directors. The Nominating and Corporate Governance Committee shall regularly consider, review and improve the Good Corporate Governance and Anti-Corruption Policy and the Anti-Corruption Policy at least once (1) a year as well as oversee compliance with the Good Corporate Governance and Anti-Corruption Policy and the Anti-Corruption Policy. Practical and appropriate recommendations shall be given regularly to BAFS's directors and management to enhance their efficiency. The Nominating and Corporate Governance Committee shall also provide opinions regarding the good corporate governance to the Board of Directors to ensure that BAFS's operations are in accordance with the principles of regulatory agencies, and oversee performance of Good Corporate Governance Working Group."

Risk Management Committee

The Risk Management Committee consists of 5 directors. Each member of the Risk Management Committee has a 3-year term of office. The Chairman of the Risk Management Committee is an independent director. Its members include:

1.	Mr. Aswin Kongsiri	(Independent Director)	Chairman of Risk Management Committee
2.	Mr. Pipat Purnananda	(Independent Director)	Risk Management Committee Director
3.	M.R. Supadis Diskul	(Executive Chairman)	Risk Management Committee Director
4.	Mr. Prakobkiat Ninnad	(President)	Risk Management Committee Director
5.	M.L. Nathasit Diskul	(Vice President)	Risk Management Committee Director
	Mr. Amnuay Pahuvanich[1/]	(Consultant to Executive Chairman)	Risk Management Committee Director
	Mrs. Duangvilai Singkalawanich	(Assistant Director, Corporate Risk Strategic Management Office)	Risk Management Committee Secretary

The Risk Management Committee regularly reports to the Board of Directors and performs its duties in accordance with the charter of Risk Management Committee as approved by the Board of Directors, with details as follows:

"To review the risk management policy once a year and to grant initial approval for its amendments before being proposed to the Board of Directors Meeting; to approve BAFS's risk management framework and to follow up on the implementation of risk management policy; to review effectiveness of the risk management framework and to approve BAFS's acceptable risks, risk appetite and risk indicators or to provide opinions regarding enterprise risk assessment in accordance with COSO ERM principles; to monitor the consistency of BAFS and subsidiaries' enterprise risk management as well as fraud and corruption risk management that shall be in line with the Principles of Good Corporate Governance, Code of Conduct and Anti-Corruption Policy; to screen and review overall enterprise risks; to present BAFS's overall enterprise risks, risk control methods and overall results of enterprise risk control to the Board of Directors; to regularly communicate with the Audit Committee in order to exchange knowledge and information regarding overall risks and internal control which cause or may cause impacts to BAFS; to foster a culture of risk management and internal control in an appropriate manner. The Risk Management Committee can hire external consultants."

[1/] Retired on December 1, 2019.

In addition, to monitor and ensure BAFS's achievement of goals, the Risk Management Committee shall consider significant risk indicators in every meeting, for example, EBITDA, cash flow, operating expense control and market share, etc. In the event that the performance is likely to be below the target, the Risk Management Committee shall provide suggestions to the management in order to further establish corrective measures.

Executive Committee

To ensure that BAFS and subsidiaries' business operations, recommendations, solutions to significant problems, performance monitoring and assessment have been conducted orderly and efficiently in the same direction and are in line with BAFS's strategic plans as well as to screen significant matters screened before being proposed to the Board of Directors Meetings for maximum benefits of shareholders, the Board of Directors set up the Executive Committee which comprises executive representatives of BAFS and subsidiaries as follows:

1.	M.R. Supadis Diskul	Executive Chairman
2.	Mr. Prakobkiat Ninnad	President, Bangkok Aviation Fuel Services PCL.
3.	M.L. Nathasit Diskul	Vice President, Bangkok Aviation Fuel Services PCL.
4.	Ms. Prapis Ruthairung	Finance & Accounting Director, Bangkok Aviation Fuel Services PCL.
5.	Mr. Pariwat Vattanasup	Managing Director, Thai Aviation Refuelling Co., Ltd.
6.	Mr. Charoen Charusalaipong	Managing Director, Fuel Pipeline Transportation Ltd.
7.	Ms. Yuphadee Tongaroonsri	Managing Director, Intoplane Services Co., Ltd.
8.	Mr. Nattapol Narkuam	Managing Director, BAFS Innovation Development Co., Ltd.
9.	Mr. Aniruth Boonyatirana	Managing Director, BAFS INTECH Co., Ltd.
	Mr. Amnuay Pahuvanich[1/]	Managing Director, Thai Aviation Refuelling Co., Ltd.
	Mrs. Parndao Sukhayanga (Corporate Secretary)	Executive Committee Secretary

The Executive Committee shall perform its duties in accordance with its roles and responsibilities as approved by the Board of Directors, with details as follows:

"To impose a budget policy and to screen BAFS and subsidiaries' budgets before being proposed to the Board of Directors of each company; supervise and follow up on progress and assess performance of BAFS and subsidiaries as assigned by the Board of Directors; to has authority to request for documents or summon related persons to clarify matters related to its duties and responsibilities; to appoint subcommittees and working groups as appropriate; to perform any other duties assigned by the Board of Directors; to appoint deputy director and division director level executives or equivalent nominated by the President; to appoint BAFS's employees or suitable persons as representatives to be directors, executives and employees in the subsidiaries, associates or companies of which BAFS holds shares as well as dismiss those representatives from such positions; and to appoint employees of subsidiaries, associates or companies of which BAFS is holding shares as representatives of each company to be BAFS's executives and employees as well as dismiss those representative from such positions."

[1/] Retired on December 1, 2019.

Corporate Sustainability Committee

The Corporate Sustainability Committee consists of:

1.	M.R. Supadis Diskul	Chairman of Corporate Sustainability Committee
2.	Mr. Prakobkiat Ninnad	Corporate Sustainability Committee Director
3.	M.L. Nathasit Diskul	Corporate Sustainability Committee Director
4.	Mr. Pariwat Vattanasup	Corporate Sustainability Committee Director
5.	Mr. Charoen Charusalaipong	Corporate Sustainability Committee Director
6.	Ms. Yuphadee Tongaroonsri	Corporate Sustainability Committee Director
7.	Mr. Nattapol Narkuam	Corporate Sustainability Committee Director
8.	Mr. Aniruth Boonyatirana	Corporate Sustainability Committee Director
9.	Mr. Prayoot Attasillapakit	Corporate Sustainability Committee Secretary
10.	Ms. Wudthiorn Poteareesakul	Corporate Sustainability Committee Assistant Secretary
	Mr. Amnuay Pahuvanich[1/]	Corporate Sustainability Committee Director

The Corporate Sustainability Committee shall perform its duties in accordance with the charter of Corporate Sustainability Committee as approved by the Board of Directors, with details as follows:

"To determine a BAFS Group's sustainability policy framework and related management systems that are accepted by the community and society; to define the scope of sustainability reports; to oversee sustainability activities and ensure that they comply with the Principle of Good Corporate Governance and the regulations of the Securities and Exchange Commission; to appoint BAFS Group's sustainability working groups in support of the Corporate Sustainability Committee as deemed appropriate; and to follow up on their operations to ensure their convergences."

3. Nomination and Appointment of Directors and Top Executive

For the nomination of BAFS's directors to fill in all vacancies, the Nominating and Corporate Governance Committee shall consider and review appropriateness of the Board structure based on BAFS'sbusiness and determines required qualifications of directors selected from BAFS's Board Skill Matrix, by focusing on Board composition, knowledge, capabilities and qualifications that are consistent with BAFS's strategies and objectives. The Nominating and Corporate Governance may use a nomination method or methods such as searching for persons with knowledge, capabilities and experience that are suitable for the Company, hiring professional search firms or nomination proposed by BAFS's directors or shareholders as well as use of Director Pool of the Thai Institute of Directors (IOD) as part of the nomination process. In addition, BAFS annually gives minority shareholders opportunities to propose a director nominee in advance. Then, the Nominating and Corporate Governance Committee considers and selects candidates and proposes a list of names to the Board of Directors and/or Shareholders Meeting for appointment.

However, the nomination of directors to replace directors retiring by rotation is proposed to the Shareholders Meeting for appointment, based on a majority voting criteria and procedures as follows:

1. Each shareholder shall have one vote per share.

[1/] Retired on December 1, 2019.

2. Each shareholder may cast all his/her vote(s) according to (1) to elect one or several candidates as directors, but cannot allot the votes to any candidate at any number.
3. The candidates receiving the highest number of votes in the respective order of the votes shall be elected as directors until all of director positions are filled. In the event that the number of candidates receiving an equal number of votes, which would otherwise cause the number of directors to be exceeded, a Chairman of the meeting shall have a casting vote.

Pursuant to Section 70, paragraph one of the Public Limited Company Act (cumulative voting), each shareholder cannot allot his or her vote(s) to any candidate at any number.

BAFS has stipulated qualifications of its directors and independent directors regarding shareholding to be more stringent than the requirements of the SEC to ensure true independence of its independent directors. The criteria for qualifications of "independent director" are as follows:

1. An independent director holds no more than 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons, including the shares held by any related persons of such independent director.
2. An independent director is not or was not an executive director, an employee, a staff member and a consultant with monthly salary or a controlling person of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders or controlling persons, unless such status has ended no less than two years before taking up the independent directorship. However, such prohibited characteristics exclude the case where the independent director was a government official or a consultant of government agencies, which are major shareholders or controlling persons of the Company.
3. An independent director is not related by blood or legal registration as a father, a mother, a spouse, a sibling, a son/daughter or a spouse of a son/daughter of executives, major shareholders, controlling persons, or an individual to be nominated an executive or a controlling person of the Company or its subsidiaries.
4. An independent director does not have a business relationship with the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons in such a manner that may obstruct his/her exercise of independent discretion. Moreover, an independent director is not or was not a significant shareholder or a controlling person of any party that has a business relationship with the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons, unless such status has ended no less than two years before taking up the independent directorship.
5. An independent director is not or was not an auditor of the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons, and is not a significant shareholder or a controlling person of the Company or a partner of auditing companies that employ auditors of the Company, its parent company, subsidiaries, associates or controlling persons, unless such status has ended no less than two years before taking up the independent directorship.
6. An independent director is not or was not a provider of any professional services including those as a legal consultant or a financial consultant that receives service fees of more than 2 million Baht per year from the Company, its parent company, subsidiaries, associates, major shareholders or controlling persons of the Company, and is not a significant shareholder, a controlling person or a partner of providers of professional services, unless such status has ended no less than two years before taking up the independent directorship.

7. An independent director is not a director appointed as a representative of director of the Company, major shareholders or shareholders related to the major shareholders.
8. An independent director does not undertake similar businesses in competition with the Company or its subsidiaries or is not a significant partner in a partnership or is an executive director, an employee, a staff member, a consultant with monthly salary or holds more than 1 percent of the total number of voting shares of other companies which undertake similar businesses in competition with the Company or its subsidiaries.
9. An independent director is not a director assigned by the Board of Directors to make decisions on business operations of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders or controlling persons of the Company.
10. An independent director is not a director of the parent company, subsidiaries or same-level subsidiaries, which are listed companies only.
11. An independent director does not have any other characteristics which can compromise his/her expression of free views about the Company's business operations.

Nomination of President

The Nominating and Corporate Governance Committee proceeds the nomination of President by determining nomination methods, qualifications, knowledge, capabilities and skills of President to ensure consistency with BAFS's strategies and goals. Once a list of candidates is selected, it will be further proposed to the Board of Directors for appointment.

Nomination of Executive

The President is authorized to consider and appoint a person who possesses knowledge, capabilities and experience suitable for the Company according to the Policy Manual and the Company's Regulations RE: Human Resource Management and Employment Status Policy.

4. Supervision of Subsidiaries and Associates' Operations

4.1 Mechanisms for the Supervision of Subsidiaries and Associates

BAFS has mechanisms of supervising subsidiaries and associates. BAFS assigns its representatives to be their directors, executives and employees. They take part in supervising interests and coordinating with the subsidiaries and associates to ensure that the Company can oversee and monitor their operations efficiently and in line with the good internal control system. BAFS has set criteria and direction for its subsidiaries and associates' operations as follows:

1. BAFS' representatives are directors or employees who are knowledgeable, capable and experienced and must not undertake or be directors in the companies with similar businesses or in competition, which may cause conflict of interest with the subsidiaries or associates.
2. The Board of Directors is entitled to appoint and dismiss BAFS's representative directors.
3. The Executive Committee is entitled to appoint BAFS' employees or appropriate persons, who are employees of subsidiaries, associates or companies of which BAFS is holding shares, to be directors, executives and employees of the subsidiaries, associates or companies of which BAFS is holding shares as well as dismiss such persons from the positions. In this regard, the Executive Committee shall report to the Board of Directors for acknowledgement.

4. The Executive Committee is entitled to appoint representatives, who are employees of the subsidiaries, associates and companies of which BAFS is holding shares, to be BAFS's executives and employees as well as dismiss such representatives from the positions. In this regard, the Executive Committee shall report to the Board of Directors for acknowledgement.
5. Regarding the scope, authority, duties and responsibilities of the Company's representative directors and executives, the representative directors are responsible for considering and approving important matters such as policies and business targets as well as supervising the management to proceed according to the policies and predetermined plans. Meanwhile, the Company's representative executives take part in developing strategies and action plans to achieve predetermined goals as well as monitoring and overseeing the subsidiaries and associates' operations through the Board of Directors Meetings or meetings with the management of subsidiaries and associates.
6. To operate and oversee operational directions of the subsidiaries and associates, including obligations between subsidiaries, associates, the companies of which BAFS are holding shares and third parties as stipulated by the Board of Directors, with reliable financial reports and audits as well as appropriate risk management and internal control system in order to eliminate conflicts of interest.
7. The reports on operating results of subsidiaries and associates are prepared and submitted to the Board of Directors or the President within a specified period.

4.2 Agreements between the Company and Other Shareholders regarding the Subsidiary management

-None-

5. Control of Use of Insider Information

The details are shown in Topic (7): Good Corporate Governance Practices on Other Matters, Section 2, Clause 3: Preventive Measures against Use of Insider Information and Conflict of Interest.

6. The Company and Its Subsidiaries' Audit Fees and Other Service Fees

Remuneration of Auditor

1. Audit Fee

For the past fiscal year, the Company and its subsidiaries' audit fees totaled 3,842,608.25 Baht (inclusive of other forecasted expenditures for auditing during the accounting period of December 31, 2019), with details as follows:

Item	Name of Payer	Auditor	Audit fee plus other expenses (Baht)
1	Bangkok Aviation Fuel Services PLC.	EY Office Co., Ltd.	1,494,800.00
2	Thai Aviation Refuelling Co., Ltd.	EY Office Co., Ltd.	660,307.00
3	Intoplane Services Co., Ltd.	EY Office Co., Ltd.	137,037.00
4	Fuel Pipeline Transportation Co., Ltd.	EY Office Co., Ltd.	1,015,247.25
5	BAFS Innovation Development Co., Ltd.	EY Office Co., Ltd.	140,217.00
6	BAFS INTECH Co., Ltd.	EY Office Co., Ltd.	395,000.00
		Total amount of audit fees	**3,842,608.25**

2. Other Service Fees

For the past fiscal year, BAFS paid 65,000 Baht to EY Office Co., Ltd. for the preparation of the summary report on fuel volume for aircraft refuelling service at Don Mueang International Airport.

7. Compliance with Principles of Good Corporate Governance on Other Matters

BAFS has complied with the principles of good corporate governance stipulated by the SEC and the SET as follows:

Section 1: Rights of Shareholders

1. Protection of Shareholders' Rights

1.1 BAFS places priority on protection of shareholders' rights and promotes their exercise of fundamental rights such as rights to profit sharing, rights to receive adequate news and information, voting rights in the shareholders meeting to appoint or to remove a director, rights to appoint an auditor and rights to consider other matters which may affect the Company, including dividend allocation, amendment of Articles and Memorandum of Association and reduction or increment of capital.

1.2 BAFS takes into consideration the rights of shareholders much more than the fundamental rights as stipulated by laws. For example, BAFS provides important and updated information via its website, prepares a Management Discussion and Analysis (MD&A) to present its operating results on a quarterly basis and disseminates news via BAFS Newsletter.

1.3 BAFS's shareholding structure comprises so many minority shareholders that checks and balances can be created between minority and majority shareholders, which do not allow any person or any group to control voting rights or the Company, thus resulting in good corporate governance at the shareholder level. The distribution of shares to minority shareholders (free float) is higher than 40 percent with neither cross-shareholding among companies in BAFS Group nor creating a pyramid shareholding structure. The whole Board of Directors is holding shares altogether for 0.75 percent. In addition, the proportion of shares held by domestic and foreign institutional investors is approximately 11 percent.

2. Annual General Meeting of Shareholders

2.1 BAFS holds an Annual General Meeting of Shareholders (AGM) once a year within 4 months from the last day of the Company's fiscal year. In 2019, the AGM was held on April 25, 2019, attended by the Chairman of the Board of Directors, Chairmen of all Subcommittees, President, directors, executives, auditor and legal advisor to answer questions raised in the meeting.

2.2 BAFS hired Kompass Law Ltd. to be its legal advisor, had shareholder representatives inspect vote counting in the AGM and disclosed results in the AGM minutes.

3. Delivery of Meeting Invitation Letter in Advance

3.1 BAFS appoints Thailand Securities Depository Co., Ltd. which is its securities registrar to send the meeting invitation letter to its shareholders 21 days prior to the meeting. Moreover, to give shareholders a chance to study details of meeting agenda and supporting information in advance, BAFS publicizes similar information being sent by post to the shareholders via its website www.bafsthai.com for at least 30 days prior to the meeting date. In Addition, the meeting notice is advertised in daily newspapers for 3 consecutive days with at least 3 days prior to the meeting date.

3.2 The meeting invitation letter includes complete and adequate details such as date, time, venue, and shareholders meeting agenda by stating explicitly whether which agenda item is for acknowledgement or consideration. Moreover, supporting documents for each agenda item include objectives and reasons

together with the Board of Directors' opinions, Articles of Association relating to AGM, a map of meeting venue, details of documents that the shareholders must present on the meeting date and meeting procedures. BAFS also prepares all relevant documents in English to protect foreign shareholders' interests and facilitate them.

3.3 BAFS respects shareholders' rights and avoids violations or deprivations of rights. BAFS then promotes the exercise of shareholder's rights by presenting important matters to shareholders for their approval as well as providing complete information as stipulated by laws, SET regulations and the Company's Articles of Association.

3.4 Each important agenda item is clearly outlined in the meeting invitation letter to be proposed to the shareholders for approval every year, as follows:

- Agenda Item on Appointment of Director: BAFS provides an opportunity to shareholders to select directors individually. Each candidate's information includes name, age, educational background, work experience, number of companies of which each candidate holds directorship categorized into listed companies and general companies, director nomination criteria and process, types of director proposed for nomination, director meeting attendance, number of years in office in case of proposing the appointment of existing directors, which is reviewed and screened by the Nominating and Corporate Governance Committee.
- Agenda Item on Director Remuneration: BAFS provides details regarding remuneration schemes and amounts as well as the policy and criteria for determination of director remuneration, which are reviewed and screened by the Remuneration Committee.
- Agenda Item on Appointment of Auditor: BAFS provides details regarding auditor's name, audit firm, experience, capabilities, independence, audit fee, number of years for audit service (in case of appointing the existing auditor) or reasons for changing the auditor (in case of appointing a new auditor) and methods for considering appropriateness of audit fee, which is reviewed and screened by the Audit Committee.
- Agenda Item on Profit Allocation and Dividend Payment: BAFS provides details regarding profit allocation and capital reserve, amount of dividend payment, reasons and supporting information in accordance with the Dividend Payment Policy as well as the record date specified by the Board of Directors in order to determine shareholder's rights to dividends. The matter is reviewed and screened by the Remuneration Committee.

4. Facilitation Provided to Shareholders

4.1 BAFS imposes a policy to provide facilitation and encourage shareholders, institutional investors and majority and minority shareholders to attend the meeting.

4.2 BAFS gives shareholders an opportunity to submit their queries regarding the meeting agenda to the Board of Directors prior to the meeting date via the Corporate Secretary, which is notified in the meeting invitation letter made available on its website.

4.3 BAFS holds its Annual General Meeting of Shareholders at a convenient place for shareholders to attend the meeting. BAFS also facilitates all shareholders equally by having sufficient staff in place.

4.4 BAFS allows 2 hours prior to commencement of the meeting to the shareholders for their meeting registration. It facilitates all shareholders to attend the meeting. In case of late arrival, the shareholders' rights to attend the meeting are not limited.

4.5 BAFS uses a barcode system to display details of each shareholder by having them printed on shareholder meeting registration forms to facilitate shareholders with prompt and accurate meeting registration, vote counting and display of results.

4.6 BAFS grants the shareholders, who attend the meeting after the commencement of the meeting, to exercise their voting rights on the agenda item which is under consideration and has not yet concluded.

5. Shareholders Meeting Procedures

5.1 Prior to the commencement of the meeting, the Chairman of the meeting or the assigned person shall introduce the attending Board members, Chairmen of Subcommittees, executives, auditor and legal advisor and explain the meeting criteria and voting procedures to the meeting.

5.2 BAFS shall allocate sufficient time and give shareholders equal opportunities to express opinions and raise questions in the meeting. Its directors and executives shall provide clear and pertinent answers to all questions before requesting the meeting to vote for each agenda item.

5.3 BAFS shall conduct the shareholders meeting according to the sequence of agenda items notified in the meeting invitation letter. BAFS shall neither abruptly distribute other important documents nor add extra agenda items to the shareholders meeting without prior notice.

5.4 To ensure transparency and accountability in case of objections occurring thereafter, BAFS shall provide ballots for voting. In the meantime, the ballots are also used when voting for any agenda that comprises many voting items, for example, the agenda item on director appointment which BAFS gives shareholders opportunities to select directors individually.

6. Procedures after the Shareholders Meeting

6.1 BAFS shall disclose shareholders meeting resolutions and voting results to the SET and publicize them on its website before 09.00 hrs. on the following day after the AGM date.

6.2 In accordance with the resolution of the shareholders meeting regarding dividend payment, BAFS shall coordinate with Thailand Securities Depository Co., Ltd. to ensure that the shareholders completely receive correct amounts of dividends. According to the SET's recommendation, BAFS shall specify the record date for shareholders' rights to dividends to be at least 5 working days after the shareholders' approval.

6.3 BAFS shall completely and accurately prepare the meeting minutes for shareholders' inspection, which record names and positions of attending directors, voting and vote counting methods, shareholders' opinions, clarifications of directors and executives and meeting resolutions with clearly separated votes for approval, disapproval or abstention. The meeting minutes shall be submitted to the SET within 14 days after the AGM date. The AGM minutes and audio and video recording shall be publicized on the Company's website.

Section 2: Equitable Treatment of Shareholders

BAFS places emphasis on fair and equitable treatment of shareholders by conducting as follows:

1. Proposal of Meeting Agenda Item and Director Nominee

BAFS facilitates shareholders in proposing an agenda item and a director nominee in advance of the AGM date. It disseminates clear criteria on both SET website and its website. The shareholders can propose an agenda item and a director nominee together with supporting information for consideration 3 months in advance. A single shareholder or shareholders who altogether hold no less than 0.05 percent of shares are entitled to propose an agenda item or a director nominee. The percentage of shareholding as mentioned facilitates

shareholders more than the requirement of the law stipulating that one or more shareholders who altogether hold no less than 5 percent of shares are entitled to propose an agenda item. However, for the 2019 AGM, no shareholder proposed any agenda item and director nominee.

2. Appointment of Proxy

In case any shareholders are unable to attend the meeting, they can appoint another person, an independent director or the President as their proxies. BAFS shall provide a proxy form in which shareholders can determine their voting directions (Form B) and clearly specify required documents and uncomplicated procedures of proxy appointment.

3. Preventive Measures against Use of Insider Information and Conflict of Interest

3.1 BAFS establishes preventive measures against wrongful use of insider information of its directors and executives for their own or others' advantages over other shareholders such as securities trading by using insider information and disclosure of insider information to related persons of directors and executives, which cause damage to the shareholders as a whole. The protection of interests and confidentiality is shown in the Company's policy and rules and regulations manual. Meanwhile, securities trading and stock futures, use of insider information, conflict of interest and breach penalties are shown in the Code of Conduct, which is made known to all directors, the executives and employees by having them sign for acknowledgment. In addition, BAFS prohibits its directors, executives and employees to buy or sell its securities at least 30 days prior to the announcement of each quarterly financial statements and 1 day after the announcement of such information.

For securities trading and stock futures, BAFS notifies its directors and executives to report changes of their securities holding to the Office of the Securities and Exchange Commission (SEC) in pursuant to Section 59 of the Securities and Exchange Act B.E. 2535 (1992). Moreover, the directors and executives' securities holding is added as an agenda in every Board of Directors Meeting, of the details will also be disclosed in the Annual Report.

With regard to securities trading and futures contracts of employees who work closely with its information, BAFS stipulates that they must report changes of their securities holding within 3 working days from the date of transaction. This matter is also added as an agenda in each monthly management meeting.

3.2 BAFS stipulates criteria for its directors and executives to report their own and related persons' interests which are consistent with nature of business, relevant laws and regulations. In addition, directors and executives must report every change of their interests to the Company. The Corporate Secretary is in charge for following up such information.

3.3 The Board of Directors has established guidelines to prevent its interested directors or executives to take part in decision-making process of transactions between BAFS and stakeholders. Prior to the Board of Directors meeting, the Chairman of the Board will ask the directors having interests in those particular matters to leave the meeting room. Those directors are not entitled to vote on such matters.

3.4 BAFS' shareholding structure is not complicated whereby almost all connected transactions are fairly conducted based on market prices and are normal business transactions.

3.5 BAFS adheres to laws and regulations of the SET and the SEC such as criteria for entering into a connected transaction and acquisition or disposal of assets.

In 2019, BAFS did not receive any complaint regarding shareholders' fundamental rights violation whereby all shareholders were equally treated. Moreover, no exploitation of insider information was found.

Section 3: Roles of Stakeholders

1. Treatment of Stakeholders

BAFS develops written practice guidelines for treatment of all stakeholder groups including shareholders, customers, business partners (trade partners or suppliers/distributors or creditors/guarantors), employees, society, community, environment, regulators and competitors in the Good Corporate Governance and Anti-Corruption Policy and Code of Conduct. The details of practice guidelines are publicized on BAFS' website. BAFS also encourages its employees to comply with such policy. BAFS respects the rights of stakeholders as follows:

1.1 Shareholders: BAFS performs its duties to shareholders with honesty and fairness, conducts business by focusing on creating prosperity, stability and returns to shareholders constantly, discloses information to shareholders equally, regularly and completely and gives shareholders opportunities to express their opinions and suggestions and propose an agenda item or a director nominee in the AGM.

1.2 Customers: BAFS sets a policy and practice guidelines for treatment of customers. BAFS cares and is responsible for its customers by observing the contracts entered into with customers, treating all customers equally and fairly, focusing on enhancing customer satisfaction and confidence in quality services as well as keeping customer confidential information secure. The procedures are as follows:

- BAFS operates aircraft fuelling service based on compliance with international quality standards, punctuality and maximum safety. Its service is certified by the Quality Management System: ISO 9001 and Occupational Health and Safety Assessment Series: OHSAS 18001.
- BAFS has in place a customer satisfaction measurement system which is considered as part of its Key Performance Indicators (KPIs). In 2019, BAFS achieved a 97.2 percent or excellent level of customer satisfaction.
- BAFS organizes activities to enhance good relationships with customers such as company visits, seminars, customer meetings to strengthen relationships and listen to their feedbacks regularly, quiz games with questions relating to the Company and meetings with customers on special occasions.

1.3 Trade Partners or Suppliers/Distributors or Creditors/Guarantors (Business Partners)

BAFS sets a policy and practice guidelines for treatment of business partners by determining clear and tangible trade partner selection procedures. BAFS's trade partners must possess required qualifications and be able to comply with procedures or process as specified. In case of new trade partner selection, the Board of Directors' approval is required.

BAFS also establishes supplier and contractor selection and evaluation procedures. Suppliers and contractors, who are selected as trade partners, must be standardized and ensure that their operations are in accordance with the Quality Management System: ISO 9001 and Occupational Health and Safety Assessment Series: OHSAS 18001. True identities of trade partners must also be verified by registration certificates issued by the Department of Business Development, the Ministry of Commerce and copies of ID cards of authorized directors. In addition, BAFS has in place a supplier and contractor performance

evaluation system to ensure that trade partners entering into transactions with BAFS have an effective management control system by considering evaluation criteria that cover all areas in terms of quality, delivery, price and service according to the Approved Supplier List (ASL) and activities that may affect BAFS's management system.

BAFS complies with the contracts made with all trade partners or suppliers/distributors equally and justly based on mutual fair compensation. BAFS does not solicit, accept or give any advantages of dishonesty to trade partners or suppliers/ distributors. BAFS develops a Supplier Code of Conduct as practice guidelines for trade partners to act in accordance with BAFS's Code of Conduct and a JV Core Principle as a tool for protecting disclosure of sensitive information.

Moreover, BAFS compiles with the contracts, agreements or conditions to creditors/guarantors equally, strictly and fairly, especially guarantee conditions, capital management and debt payment, and does not solicit, accept or give any advantages of dishonesty to creditors/guarantors.

1.4 Employees

BAFS places importance on its employees and considers that they are BAFS's significant resources contributing to business success. Therefore, BAFS imposes a policy and practices guidelines for treatment of employees by complying with relevant laws and standards, ensuring fair treatment of employees, respecting and not violating human rights, emphasizing knowledge and capability enhancement of employees, having ethical behaviors, providing appropriate compensation and benefits and promoting employees' participation. Details are as follows:

1. Compensation and Benefits

BAFS clearly determine an employee compensation policy and apply the Balanced Scorecard approach to short and long-term performance assessments in terms of finance, customer and stakeholder, process, internal management and learning and development. Accordingly, BAFS provides appropriate compensation and benefits including salary, annual bonus, provident fund, and life, accident and health insurance to employees.

2. Employee Development Policy

BAFS focuses on employee development in order to strengthen its employees' necessary knowledge, abilities and skills and enhance employee capabilities to withstand technological changes, all of which increase BAFS's present and future competition opportunities. BAFS sets systematic employee plans with aim to ensuring employees' potentialities, competencies and career paths and discloses details via employees' competency and potential assessment guidelines. BAFS shall inform its employees about their competency and potential assessment results, and then develop each employee by following his/her individual development plan. BAFS provides both internal and external trainings according to its training roadmap to its employees to prepare them for their career paths, whereas the Human Resource Development Division shall adjust and improve such plans continuously. In addition to developing employees' skills and knowledge, BAFS also emphasizes on having its employees practice works by exchanging knowledge and experiences with domestic and foreign experts via job observations, for example, work practice exchange with San-Ai Oil Co., Ltd., a Japanese corporation dealing aviation fuel related services, and job observations related to technologies and innovations in ASEAN region, all of which enable BAFS's employees on applying and transferring their knowledge and experiences for the benefits of others.

3. Knowledge Management

BAFS takes steps to be learning and innovative organization by applying bodies of knowledge created by its personnel, whereas its internal knowledge collected and screened and external knowledge sought have been analyzed and applied integrating. BAFS's bodies of knowledge have been developed since 2016 up to the present. They include around 205 sets of operational and supportive knowledge which are actually applied to operations of all relevant divisions, resulting in tangible outcomes that can be utilized in operational processes and used for feasibility study on innovation development. For instance, Leak Check Double Block and Bleed Valve (DBB) which is a device increasing capacities on oil leak test of valves installed at every operating point by monitoring works at QC Stand only. This device helps reduce expenses on installation of equipment at each point, decrease manpower as well as accidental risk due to working at height and increase enhance at work.

With its capability on knowledge management, BAFS therefore set its objectives to becoming a direction definer on international aviation fuel services. Accordingly, BAFS manages knowledge and develops learning programs on energy services to professionally deliver knowledge and values of standard, quality and safety to energy service providers, including being a cooperation center providing advices relating to full circle of aviation fuel service according to sustainable development framework. Action plans based on such objectives and clear indicators were set. BAFS shall begin to measure outcomes from 2020 onwards.

Number of Employee Training Hours in 2019

BAFS's employees	Training hours	An average of
514 people	24,960 hours	48.56 man-hours

1.5 Society, Community and Environment

1.5.1 Society and Community

BAFS determines the society and community as its important stakeholders and then undertakes actions to ensure their sustainable self-reliance, which is one of the Sustainability Strategic Plans of 2016-2020 according to the community engagement plan. Moreover, based on the results of community satisfaction survey in Don Mueang and Suvarnabhumi areas, BAFS develops a community master plan for the communities surrounding Don Mueang and Suvarnabhumi Aviation Fuel Storage Stations and distributes plans to responsible departments as follows: 1. Community plan of the Corporate Social Responsibility Department, 2. Community relations plan of Suvarnabhumi Aviation Fuel Storage Station, 3. Community relations plan of Don Mueang Aviation Fuel Storage Station, 4. Cooperation framework plan of 10 organizations (Srisa Jorakhanoi Sub-district MOU) and 5. Corporate communication activity and volunteering activity plan. These plans consist of activities categorized into 6 main categories. Their performance results in 2019 can be summarized as follows:

1. Health

   According to BAFS community master plan, the health promotion project for the communities in Moo 2 - 9 - 10, Srisa Jorakhanoi Sub-district, surrounding Suvarnabhumi Airport Aviation Fuel Storage Station was a collaboration of networks between the communities, organizations and local agencies. The project was implemented to create community database, establish community health promotion and care processes and raise community awareness of good health which the communities could achieve by themselves.

2. Family and Elderly

   BAFS conducted the participatory action research project to develop and promote capabilities of village health volunteers in order that they can look after their families and elderlies in the communities and become members of collaboration networks of the communities, the organizations and local agencies undertaking tasks related to elderly in the communities.

3. Education, Religion and Culture

   BAFS provided educational support, outdoor education field trips and scholarships and preserved Thai tradition and culture through Buddhist activities such as robe offering and off-season offering in collaboration with public and private agencies, including praying, chanting, listening to sermons, conducting Dharma practice activities, and participating in community religious and cultural activities in different occasions as well as supporting budget on community cultural activities.

4. Career Promotion and Income Generation

   BAFS conducted the career creation project for communities as well as housewife and elderly groups in the communities, which was one of the plans under the health promotion project for the communities in Moo 2 - 9 - 10, Srisa Jorakhanoi Sub-district, to promote community economy by extending the economic outcomes of the community health promotion project.

5. Life and Property, Environment and Community Infrastructure Safety

   BAFS organized the fire drill project for the communities and schools surrounding Suvarnabhumi Into-Plane Refuelling Station to enhance their knowledge and understanding of incident protection, incident action and first aid assistance. The project provided a fire drill scenario allowing community members including students, communities and local incident prevention agencies to enhance their skills and correct practices.

6. Overall Well-Being and Society

   For over than 12 years, BAFS has cooperated with Royal Thai Army Medical Department, Foundation of Phramongkutklao Hospital, and Department of Rehabilitation Medicine to conduct the soldier morale enhancement project to recover mental health of soldiers injured from military service at the three southernmost provinces of Thailand and treated at Phramongkutklao Hospital, so that they can continue their service or earn a living after being decommissioned as well as proudly return to the society.

More details regarding social and community operations can be found in the 2019 Sustainability Report or on the website: www.bafsthai.com.

1.5.2 Environment

BAFS protects the environment, promotes resource efficiency in all its business processes and encourages use of alternative energy. Therefore, BAFS sets up a Green Committee to enhance energy management within the organization. BAFS also develops an energy conservation policy to ensure that its energy management is in compliance with the Ministerial Regulations Prescribing Energy Management Standards, Criteria and Procedures for Designated Factory and Building B.E. 2552 (2009), as follows:

1. BAFS shall operate and develop energy management system appropriately. It is regarded as part of BAFS's business operations and has to be implemented in accordance with laws and other relevant regulations.
2. BAFS shall continuously improve energy efficiency which is appropriate for business nature, technology and best practices.
3. BAFS shall set its annual plan and goals for energy conservation appropriately and communicate them to all employees for correct understanding and practice.
4. BAFS shall encourage that energy conservation is responsibility of all executives and employees at all levels to cooperate and follow stipulated measures in order to accomplish its goals.
5. BAFS shall support human resources, budget, working hours as well as trainings, and encourage all employees' participation in expressing their opinions for energy operations improvement.
6. The executives and the Energy Management Committee (the Green Committee) review and revise the policy, goals and energy management plans to ensure their appropriateness and consistency with current situations on a yearly basis.

In addition, BAFS develops an environment and climate change policy to announce its commitment to environmental protection. The policy aims to prevent the potential impacts on the environment and raise environmental awareness to all employees. The details are as follows:

1. To adhere to all environmental laws, regulations and standards relating to the Company's operations;
2. To be aware of climate change and minimize the environmental impacts arising from the Company's business operations;
3. To raise environmental awareness and enhance employees' knowledge on climate change continuously;
4. To prepare a carbon footprint report and establish practical guidelines for reducing greenhouse gas emissions arising from the Company's business operations;
5. To disclose the Company's environmental information through appropriate channels.

In 2019, BAFS implemented the above mentioned policy by taking actions to reduce greenhouse gas emissions such as preparing its carbon footprint report for the year 2019, with the total volume of greenhouse gas emissions accounting for 5,448.05 tons of carbon dioxide equivalent, preparing the monitoring report on BAFS Solar Cell Project, and participating in Thailand Voluntary Emission Reduction Program (T-VER), organized by Thailand Greenhouse Gas Management Organization

(Public Organization) The purpose of program is to support the private sector on achieve greenhouse gas emission reductions, which could be counted as carbon credits, through verifiable processes. BAFS also installed solar cell rooftop in order to generate electricity by using renewable energy (solar energy) to replace consumption of power from on-grid renewable electricity generation). The solar cell systems were installed at Suvarnabhumi Aviation Fuel Storage Station and Don Mueang Aviation Fuel Storage with total installed capacity of 143.42 kWp. Within 9 months from August 1, 2018 - May 31, 2019, BAFS could reduce consumption of power for 147,109 kWh as well as greenhouse gas emissions for 84 tons of carbon dioxide equivalent, etc.

Since BAFS's carbon footprint report was prepared in accordance with an acceptable standard, BAFS therefore received an honor plaque and certificate at the event "Global Warming Mitigation Day 2018", arranged by Thailand Greenhouse Gas Management Organization (Public Organization) on September 19, 2019.

BAFS promotes resource efficiency among its employees. In 2019, BAFS raised employees' awareness of energy efficiency and water resource utilization in particular through a range of campaign activities as well as enhanced employees' knowledge through training programs on environment and efficient resource utilization, comprising:

1. Earth Hour Campaign

   BAFS support Earth hour 60+, the campaign encouraging people around the world to switch off their lights in concerning of climate change. BAFS encourages its employees to turn off all electrical devices for 60 minutes (from 12.00 - 13.00 hrs.) on Friday, March 29, 2019. The results showed BAFS could reduce energy consumption by 147.4 kWh, divided into the following areas:

   1. Suvarnabhumi Into-plane Refuelling Station 18.58 kWh
   2. Don Mueang Into-plane Refuelling Station 8.69 kWh
   3. Suvarnabhumi Aviation Fuel Storage Station 32.83 kWh
   4. Don Mueang Aviation Fuel Storage Station 87.30 kWh

2. Cultivating Energy Conservation Awareness

   BAFS raises employee awareness on energy by holding the energy conservation course hosted by the Bureau of Energy Human Resource Development, Department of Alternative Energy Development and Efficiency, Ministry of Energy. It provided lecture on energy conservation and visited the prototype of green building at Energy Conservation Building in Honor of His Majesty the King, Khlong Ha, on June 21, 2019.

3. Reducing Water Consumption Campaign

   Water resource is not a key factor for BAFS's business operations; however, BAFS recognizes the importance of water resource efficiency. Therefore, BAFS sets the target to reduce water consumption by 5 percent compared to the previous year and offers each department an opportunity to jointly reduce water consumption in its own practice. The results showed that BAFS can reduce water consumption by 154 cubic meters or a 7.85 percent decrease compared to the previous year.

4. Environmental and Energy Conservation Training Programs Held by Other Organizations

BAFS encouraged its employees to attend environmental and energy conservation training programs in order to apply their knowledge for future development and support environmental and energy conservation aspects, namely 1) Thailand Electrical Installation Standards, arranged by the Engineering Institute on January 17, 2019, 2) Energy conservation in Thai industries, arranged by the Energy Conservation Laboratory on June 6, 2019, 3) CORSIA Verification Course, arranged by ICAO during September 19 - 21, 2019, and 4) work observation relating to electricity generation, etc.

BAFS also sent its employees to observe and study works relating to machinery and tools at the International Airport South East Asia 2019, Singapore, in order to enhance employees' knowledge and abilities and apply knowledge regarding new technologies to further develop the Company.

Moreover, BAFS minimized paper waste by sharing documents internally and externally via e-mail and applying an E-document system to different areas of its operations such as arrangement of Board of Directors and executive meetings.

1.6 Regulators: BAFS complies with business-related laws, regulations and principles, conducts its business in accordance with the principles of good corporate governance, counters all types of bribery and corruption and promotes human rights protection.

1.7 Competitors: BAFS operates business based on international best practices while establishing a policy and practice guidelines for treatment of its competitors to comply with trade-related laws, rules and regulations, ensure no price distortion and promote free trade.

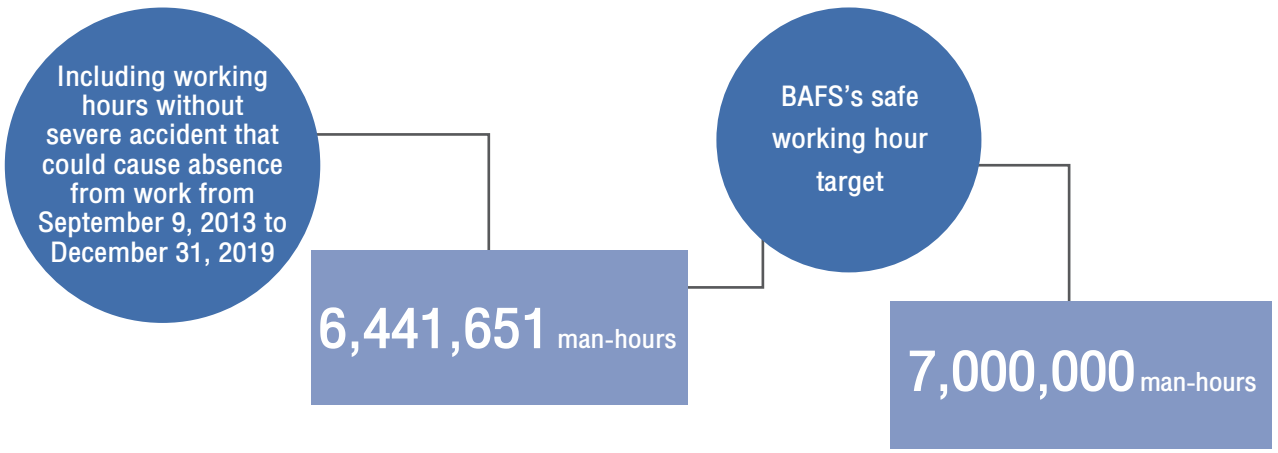
2. Occupational Health and Safety in Working Conditions

BAFS gives high priority to occupational health and safety in working conditions. BAFS establishes a policy on occupational health and safety in working conditions as in line with the Occupational Health and Safety Assessment Series (OHSAS 18001:2007) as well as set up an Occupational Health and Safety in Working Conditions Committee, with details as follows:

- To develop occupational health and safety in working conditions systems to ensure their consistencies with the laws, international standards and other relevant regulations;
- To control, improve, prevent and solve problems arising from the Company's business operations, including risks of medium-level and higher which may have impacts on its employees and assets, to enable continuous improvement on occupational health and safety in working condition;
- To improve the performance results of occupational health and safety in working conditions regularly and continuously;
- To promote and encourage employees' engagement in compliance with occupational health and safety in working conditions;
- To enhance employees' knowledge and awareness of occupational health and safety in working conditions as well as off-the-job safety;

- To provide resources for the implementation of occupational health and safety in working conditions systems to enable continuous improvement; and
- To ensure safety for BAFS's employees, contractors and assets as well as review and update security measures in response to current situations regularly and continuously.

BAFS disclosed accident statistics at every branch office.



The latest accident occurred on September 8, 2013 for which BAFS had already taken corrective and preventive actions.

In 2019, BAFS organized a wide range of activities related to occupational health and safety in working conditions, such as annual health check-ups for the communities surrounding its operating sites, assessments to monitor environmental impacts on the communities, big cleaning day and annual safety day (SHE Day). Moreover, BAFS arranged training programs for occupational health and safety in working conditions, including fire drill, annual fire evacuation rehearsals as required by laws, emergency plan rehearsals and business continuity plan (BCP) rehearsals. BAFS also provided personal protective equipment (PPE) to its employees, launched an accident prevention campaign and conducted assessments on workplace environment and quality of drinking water and waste water. Additionally, BAFS arranged fire drill training courses for the communities and schools surrounding Suvarnabhumi and Don Mueang Aviation Fuel Storage Stations.

In 2019, BAFS received prestigious awards such as National Outstanding Organization Awards for Workplace Safety, Health and Environment for its three operating areas, namely Don Mueang Aviation Fuel Storage and Into-plane Refuelling Station for the the 13th consecutive year, Suvarnabhumi Into-plane Refuelling Station for the 11th consecutive year and Suvarnabhumi Aviation Fuel Storage Station for the 9th consecutive year.

Additionally, in 2020, BAFS is applying Safety Management System or SMS stipulated by the International Civil Aviation Organization (ICAO). BAFS plans to apply for being certified to ISO 45001:2018; Occupational health and safety management systems, in order to replace OHSAS 18001:2007 which will be terminated as well.

3. Respect for Human Rights

BAFS imposes a policy and practice guidelines for avoiding human rights violations by requiring all directors, executives and employees of BAFS and subsidiaries to comply with the Code of Conduct on human rights and treat other employees, for example:

- Uphold democracy and encourage its employees to exercise their voting rights granted under the constitution;
- Ensure that employees are treated equally and with dignity and respect, regardless of physical or mental similarities or differences, race, nationality, religion, sex, age, education, political opinions or any other matters;
- Support and respect human rights protection by regularly monitoring and ensuring that BAFS avoids human rights violations of the Company and trade partners, for example, no support of forced labour as well as no abuse of child rights and child labour;
- Show an intent to support the "Child-friendly Business Promotion Project";
- Monitor compliance with regulations on human rights within BAFS and encourage compliance with the human rights principles according to international standards; and
- Avoid any acts that sexually harass other employees, thus causing trouble and annoyance or leading to the offensive work environment that ruins employee morale and disturbs other employees without reasons. Such behaviors include sexual assault, obscenity, flirtation or abuse, whether verbally or physically.

BAFS provides whistleblowing or complaint channels in case of any doubt on non-compliance with BAFS's Code of Conduct.

BAFS not only places importance on respect for human rights of its personnel, but also for those of trade partners or business partners by including such matters in the Supplier Code of Conduct.

In the previous years, BAFS has never received any reports or complaints on human right violations.

4. Intellectual Property or Copyright

BAFS imposes a policy and practices guidelines to prohibit intellectual property or copyright infringement whereby the Company and its subsidiaries' directors, executives and employees are required to comply with Code of Conduct regarding intellectual property or copyright, as follows:

- To protect BAFS's intellectual property and avoid others' intellectual property infringement;
- To perform in accordance with laws, regulations and contractual obligations regarding rights of others in intellectual property as well as patent, copyright, trade secret and other proprietary information;
- To avoid abuse or misuse of others' intellectual property; and
- In case any copyrighted or intellectual property derives from its employee's performance, such copyright or intellectual property shall belong to BAFS.

In the previous years, BAFS has never received any reports or complaints regarding intellectual property or copyright infringement.

5. Anti-Bribery and Corruption

BAFS is committed to conducting business with transparency and countering bribery and corruption. Since 2014, BAFS has been certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) until the present.

BAFS imposes the Anti-Corruption Policy approved by the Board of Directors. Directors, executives and employees of BAFS and subsidiaries are required to comply with the policy which includes details as follows:

- BAFS's directors and employees at all levels shall comply with the Anti-Corruption Policy and shall not engage in any form of corruption, either directly or indirectly, for the benefits of BAFS and themselves including their families, colleagues and other acquaintances.
- Any actions taken in response to the Anti-Corruption Policy shall be complied with guidelines mentioned in BAFS's Code of Conduct, regulations, BAFS's related operating manuals and other guidelines that may be defined by BAFS in the future.
- The employee shall not neglect or overlook in case of witness of any act, which could be a corruption matter related to BAFS. The employee shall report such matter to the supervisor or person who is mentioned in BAFS's Code of Conduct.
- BAFS shall provide fairness and protect its employees who report the corruption matter related to BAFS.
- Any act of corruption is considered violation of BAFS's Code of Conduct while the offender shall undergo disciplinary punishment including legal punishment in case such action is also against the law.
- BAFS recognizes the importance of communication and public relations that are taken to provide knowledge and enhance understanding of the Anti-Corruption Policy compliance to its directors, employees and related persons.

In addition, BAFS prepares guidelines on Anti-Corruption measures for the executives and employees to comply with details as follows:

1. Charitable Donation and Social Activity Support
    - To ensure that the monetary donation for charitable purpose and social activity support are not excuses for bribery, their objectives shall be explicit and can be verified. Meanwhile, they must be done on behalf of BAFS only whereby donation limit and authorized person for approval shall be defined precisely in writing.
    - Any bribes shall be neither accepted nor paid. Also, any illegal transactions of all types shall not be conducted, whether directly or indirectly, with public officials, other people or other agencies in exchange for favourable practices or mutual benefits related to BAFS's operations.
    - In case that a donation or support recipient is a government agency, state enterprise, foundation, charitable organization, temple, hospital, clinic or social benefit organization, such recipient shall provide a certificate or reliable and verifiable documents.
    - The monetary donation for charitable purpose and social activity support shall be done in compliance with the Delegation of Manual of Authorities regarding the monetary donation for charitable purpose and social activity support.

2. Political Support: BAFS shall adhere to democracy with the King as Head of State, stay politically neutral, avoid political support or assistance and encourage its employee to exercise their constitutional voting rights.
3. Giving and Receiving of Gifts
   - Any benefits shall be neither received nor solicited. Any fees shall not be offered. Any bribes of any kinds, including other inappropriate expenses, either directly or indirectly, in return for favorable treatment for oneself, BAFS or BAFS's business-related benefits, shall not be paid.
   - Receiving of gifts shall be done openly and transparently and shall not influence any decision making related to BAFS's business.
   - Giving of gifts shall not be done extravagantly or wrongfully against good traditions and local laws.
   - Giving of gifts shall be done in compliance with the Delegation of Manual of Authorities regarding giving of gifts.
4. Welcome Reception Provision and Acceptance
   - Welcome reception provision and acceptance shall be reasonably done as necessary in accordance with general business etiquette for BAFS's business benefits and proper manner that reflects normal relations with third parties whose duties or business are related to the Company's business. BAFS shall also explicitly determine budget amount and authorized persons for approval of welcome reception provision and report on welcome reception acceptance in writing.
   - Any hospitality expenditures, including accommodation and travelling expenses during site visit, work observation, food and beverage or other expenses to induce government officers, other persons or other organizations to act wrongfully to obtain the Company's interests, shall not be paid.
   - Any benefits shall be neither accepted nor solicited. Neither entertaining or reception invitation or invitation for work observation with free of charge proposed by third parties nor expense support from third parties, which can influence business decision making, or repayment for any subservient actions or work-related benefits from the Company, shall not be accepted.

     Moreover, BAFS implements risk management in its operations possibly related to corruption and take actions to prevent engagement in corruption as follows:

     1. The Board of Directors stipulates a policy, oversees and monitors compliance of the Anti-Corruption Policy and practice guidelines and receipt of complaints and whistleblowing handling procedures for employees at all organizational levels and external parties.

        Furthermore, the Executive Chairman is authorized to screen BAFS's strategic plans and risk management of projects related to the Company and its subsidiaries' investments.

     2. BAFS stipulates a Risk Management Policy with details regarding corruption as follows:
        - The Risk Management Committee is responsible for overseeing fraud and corruption risk management to ensure compliance with the Principles of Good Corporate Governance, Code of Conduct and Anti-Corruption Policy.

- In case an employee experiences or acknowledges any risks, which may affect the Company or violate the Principles of Good Corporate Governance, Code of Conduct and Anti-Corruption Policy, such employee shall immediately report such matter to his/her supervisor for further implementation of risk management.

3. BAFS arranges corruption-related business risk assessments as follows:

   - All departments that contact with government agencies and all working groups on projects worth over 30 million Baht, shall conduct corruption risk assessments, develop corruption risk mitigation plans and report progress of operations according to the plans via the IT system, which will be approved by the department directors and used as reference database for inspection of corruption.
   - Corruption risk assessment is stipulated as a major principle in the procurement manual and practice guidelines for purchasing/sourcing/procurement referring to the Principles of Good Corporate Governance and Risk Management Policy compliance.

   In addition, BAFS also assesses corruption risks in its business processes, whereas BAFS's corporate governance working group shall use data obtained from corruption risk assessment to prepare appropriate measures for prevention of bribery of public officials.

4. BAFS defines risk appetite and risk tolerance as its business operations framework which is related to corruption as follows:

   Compliance: to comply with Principles of Good Corporate Governance, Code of Conduct and Anti-Corruption Policy strictly without complaints made either verbally or in writing with intent not to comply with the Principles of Good Corporate Governance, Code of Conduct and Anti-Corruption Policy and without having zero corruption. In case that the Company receives any corruption-related complaints or whistleblowing or lawsuits, the Corporate Governance Working Group shall notify the Secretary of the Risk Management Committee to have it included in an agenda proposed to the Risk Management Committee. Representatives of the Corporate Governance Working Group shall prepare meeting documents and further report to the Risk Management Committee meeting to obtain opinions on risk management.

5. BAFS communicates its Code of Conduct and Anti-Corruption Policy both internally and externally to people including trade partners, suppliers/ distributors via different channels such as E-document management system, posting notices and its website.

   - For internal communication, BAFS regularly articulates such matter to its executives and employees via e-mail at least once in a quarter of a year.
   - For external communication, BAFS communicates the Anti-Corruption Policy to its subsidiaries and associates via e-mail as well as brochures distributed to its business partners to disseminate practice guidelines on the Company's Anti-Corruption measures, and invites its business partners to jointly declare the intention to and apply for the membership of Thailand's Private Sector Collective Action Coalition against Corruption (CAC). In this regard, BAFS has its business partner

trained and invited continually. On November 26, 2019, BAFS arranged training for the fourth year, which was entitled "Supplier Code of Conduct and Sustainability Framework". BAFS invited all key business partners as well as new business partners to participate the training. BAFS also provided coaching to business partners who wished to jointly declare the intention to and apply for the membership of CAC.

6. BAFS requires all directors to sign for acknowledgement of the Good Corporate Governance and Anti-Corruption Policy, Anti-Corruption Policy and Code of Conduct as well as ensure no actions that may cause conflict of interest. BAFS also requires all exployees to sign for acknowledgement of the Good Corporate Governance and Anti-Corruption Policy, Anti-Corruption Policy, Code of Conduct, and Anti-Corruption Practical Guidelines as well as ensure no actions that may cause conflict of interest on a yearly basis.

7. BAFS determines Anti-Corruption Practical Guidelines as one topic in orientation programs for new directors, executives and employees as well as all employees who get promoted, rotated and transferred. Also, BAFS regularly arranges training programs to enhance employees' knowledge of good corporate governance, Anti-Corruption Policy and Practical Guidelines via about BAFS's Good Corporate Governance activities.

   During February 11 - 15, 2019, BAFS organized activities under the topic of "Knowledge Management and Good Corporate Governance for Promotion of Innovations towards Sustainability" for its executives and employees. Also, external expert speakers were invited to give lectures under the topic of "Director's Role in Anti-Corruption" to all of BAFS's directors on November 13, 2019.

Moreover, on September 6, 2019, BAFS and subsidiaries attended the Anti-Corruption Day under the concept of "Thais Fight against Corruption", arranged by Anti-Corruption Organization of Thailand (ACT).

8. BAFS establishes a tangible assessment monitoring process for compliance with the Anti-Corruption Policy by implementing online self-assessment systems for all executives and employees to regularly assess themselves every August. In 2019, 100 percent of current BAFS's executives and employees passed the assessment with the average score at 93.70 percent. In the meantime, the Corporate Governance Working Group shall monitor and assess Anti-Corruption compliance results as well as report self-assessment results to the Board of Directors.
9. BAFS provides whistleblowing channels in case of witness any corrupt actions as well as whistleblower protection measures.
10. BAFS has been certified as member of the Private Sector Collective Action Coalition against Corruption (CAC) since 2014. Its membership was recertified in 2017 and 2020 respectively. The Audit Committee verified accuracy of BAFS's reference documents and self-assessment form regarding anti-corruption measures according to the CAC membership certification process and regular reviewed compliance with the Code of Conduct and anti-corruption measures.

6. Contact Channels

BAFS provides channels for stakeholders to submit suggestions, opinions or queries as well as complaints on violations of rights and other cases via the following channels:

6.1 The Corporate Secretary's e-mail: parndao@bafs.co.th, Tel: 0 2834 8912

6.2 The Investor Relations Division's e-mail: pitsapong@bafs.co.th, Tel: 0 2834 8914

6.3 Mail to the Corporate Secretary: Bangkok Aviation Fuel Services Public Company Limited 171/2 Kamphang Phet 6 Road, Don Mueang, Don Mueang, Bangkok 10210

In case of important matters or any matters that may cause damage to BAFS, the Corporate Secretary will present such matters to the Board of Directors accordingly.

7. Whistleblowing and Whistleblower Protection Measures

BAFS provides whistleblowing or complaint channels for external parties and its employees. BAFS establishes complaint handling procedures to protect and maintain confidentiality of complainants as follows:

7.1 Whistleblowing

BAFS provides whistleblowing or complaint channels in case of any suspicious breaches of its Code of Conduct and laws as well as corrupt behaviors and unequal treatment as follows:

(1) Supervisors of all levels who are trustworthy

(2) The Corporate Governance Working Group

(3) Mail to:

The Executive Chairman or the Chairman of the Audit Committee

Bangkok Aviation Fuel Services Public Company Limited

171/2 Kamphang Phet 6 Road, Don Mueang, Don Mueang, Bangkok 10210

(4) E-mail: ec@bafs.co.th or ac@bafs.co.th

(5) Corporate website: www.bafsthai.com

7.2 Whistleblowing Procedures

Upon receipt of complaints, the Working Group or the assigned officer shall collect, verify and analyze information, establish corrective and preventive action procedures and measures to alleviate damage to those affected, conduct data processing to report results to the complaint receiver and inform whistleblower/ complainants for acknowledgement as well as report such results to the President, the Executive Chairman, the Audit Committee and the Board of Directors, respectively, as the case may be.

7.3 Whistleblower Protection

To protect rights of whistleblowers/or complainants/or cooperative persons, BAFS conducts the following:

- BAFS shall not disclose names, addresses, photographs or any other information of whistleblower/ complainants and keep relevant information confidential.
- Whistleblowers or complainants who get distressed or damaged shall receive fair and appropriate treatment.
- BAFS shall provide protection to employees who file a complaint or cooperate or avoid corruption without any penalties and accusations as well as shall not demote or reduce salary although such actions will cause BAFS's loss of business opportunities.

7.4 Penalties

In case of finding that any employee acts against BAFS's Code of Conduct and Anti-Corruption Policy, such employee shall receive disciplinary penalties in accordance with the Company's Policy and Regulations Manual regarding discipline and disciplinary penalties. Employee disciplinary actions ranges from oral warnings to suspension or termination of employment without sorting in ascending order, which depends on final approval made in accordance with Delegation of Manual of Authorities. Such employee shall be undergoing legal punishment in case his/her is also against the law. Moreover, employees can seek advice on compliance with anti-corruption measures from their supervisors in hierarchical level or the Corporate Governance Working Group or the Manager of Regulatory Compliance Division, of which BAFS shall not disclose any information.

7.5 Results Report

BAFS shall notify result of investigation to whistleblowers/ complainant within 30 days after completion of the process.

BAFS has no records of breaches of laws related to labour, employment, consumer and trade competition.

In 2019, BAFS received one complaint on incorrect practices according to BAFS's Policy and Regulations Manual, from the employee. BAFS proceeded to collect information, analyze data and screen information by identifying causes to establish corrective and preventive measures and reporting the results to the whistleblower/complainant for acknowledgement. Such complaint was not related to violation of Code of Conduct or the Anti-Corruption Policy.

Section 4: Information Disclosure and Transparency

1. BAFS's Information Disclosure

BAFS discloses important information in its Annual Report and website at www.bafsthai.com in both Thai and English. Such information includes vision, mission, major policies, corporate group structure, nature of business and competitive situation, financial status and operating results, business risks, shareholding structure, organizational structure, Board of Directors and the management, categories of directors, biographies, direct and indirect shareholding of directors and the management, training records of directors, remuneration policy for directors and the management, remuneration schemes and amount of remuneration of directors of BAFS and its subsidiaries, duties and responsibilities of the Board of Directors and Subcommittees during the past year such as number of meetings, number of times for meeting attendance, investor relations information, meeting notices, AGM minutes and press release. In addition, BAFS updates information in its website regularly.

2. Preparation of Financial Reports

The Board of Directors appoints the Audit Committee to review and ensure that BAFS prepares financial reports which are accurate, complete and transparent enough to maintain BAFS's assets and prevent fraudulent and unusual actions by adhering to the Generally Accepted Accounting Principles and appropriate accounting policy as well as considering rationales and exercising discretion to strengthen BAFS's stakeholders' confidence. The Board of Directors also provides a report on the Board of Director's responsibilities towards the financial statements, which includes important matters in accordance with the Code of Best Practice of Directors of Listed companies recommended by the SET. The Report in which signed by the Chairman of the Board of Director and the President will be presented together with the Auditor Report in the Annual Report.

In 2019, BAFS assigned the auditor from EY Office Co., Ltd., who is approved by the SEC as a knowledgeable, proficient and independent auditor to be the Company's auditor. BAFS's financial statements was certified unconditionally in all material respect in accordance with the General Accepted Accounting Principles and approved by the Audit Committee/the Board of Director before being disclosed to the shareholders.

BAFS also prepares a Management Discussion and Analysis (MD&A) on a quarterly basis to provide an analytical explanation regarding its financial status, operating results, factors affecting financial status and operating results as well as significant changes. Moreover, important news and information are disseminated to the shareholders via BAFS Newsletter.

In accordance with the Balanced Scorecard concept, which suggests that an organization shall be viewed from four perspectives including finance, customer and stakeholder, internal management process, and learning & development, BAFS then applies Key Performance Indicators (KPIs) by stipulating its strategic objectives to be in line with goals of strategic plans and risk appetite, such as return on assets, market share, customer satisfaction and success of human resource development plan.

3. Channels for Information Disclosure

3.1 BAFS recognizes the importance of both financial and non-financial information disclosure which shall be made in a correct, complete, timely and transparent manner via the following channels:

- SET's Information dissemination system and SEC's website;
- BAFS's website at www.bafsthai.com, where information is provided in both Thai and English;
- Report on quarterly operating results, provided to analysts and investors on Opportunity Day at the SET;
- Press Release;
- Newsletter to present BAFS's financial status;
- Information provided to analysts or investors who visit BAFS and consult with BAFS's executives;
- Analyst Meeting;
- Documents mailed to shareholders.

3.2 BAFS provides information disclosure in compliance with the regulations of the SET and the SEC and sets up a Regulatory Compliance Division to undertake in this matter.

3.3 The Investor Relations Division is set up to be a coordinator between investors, shareholders, securities analysts and other relevant organizations. Its e-mail is pitsapong@bafs.co.th, Tel: 0 2834 8914. In addition, the Investor Relations Division regularly organizes annual activities in accordance with its action plans. In 2019, there were significant activities as follows:

Activity	Number of times
Joining the Opportunity Day	4
Arranging shareholders' newsletters	2
Arranging meetings to provide information to institutional investors, analysts and shareholders	14
Arranging site visits for shareholders and investors	1
Providing information for BAFS credit rating review	2
Joining roadshows to issue and offer to sale debenture of the Company	1

BAFS has never been ordered to have its financial statements amended by the SEC and discloses its annual and quarterly financial statements to shareholders and investors in a timely manner.

Section 5: Responsibilities of Board of Directors

The Board of Directors plays a key role in corporate governance to ensure BAFS's maximum benefits as well as takes responsibility for their performance to shareholders without intervention from the management.

1. Board of Directors Structure

1.1 The Board of Directors considers appropriateness of its structure and determines its composition to consist of at least 11 members, but no more than 15 members. Currently, BAFS's Board of Directors comprises 14 directors as follows:

- 2 executive directors (14.29 percent);
- 12 non-executive directors (85.71 percent).

Seven of them are directors from third parties and five of them are independent directors, which is equal to one-third of the total number of the directors. Seven directors, who are non-executive directors, have experience in major business or industry in which BAFS currently operates.

1.2 The Board of Directors defines its structure to be consisted of directors with diversified qualifications. They are experts who possess knowledge, capabilities, experience, ethics and morality, and are generally accepted. A variety of skills include industrial knowledge, finance, management, international trade, strategy, crisis management, legal, corporate governance or others that are consistent with and beneficial to BAFS's business operations. Meanwhile, the independent director's qualification regarding shareholding proportion is defined to be more stringent than requirement of the SEC as shown in Topic 3: Nomination and Appointment of Director and Top Executive.

1.3 To better enhance checks and balances within the Board of Directors, the Chairman of the Board is an independent director, who is not the same person as the President and does not have any relationship with the management.

1.4 Duties and responsibilities of the Board of Directors and the management are clearly segregated from each other and defined in writing.

1.5 The directors hold definite term of office according to BAFS's Articles of Association, stipulating that at each annual general meeting of shareholders, one-third of the directors must retire from office. The directors who have been the longest in office shall retire first. Nonetheless, the number of years of independent directors' term of office and the number of consecutive terms for directors are not defined due to a limited number of persons who have knowledge and experience related to BAFS's business.

1.6 The Board of Directors recognizes the importance of efficiency as Directors and President, BAFS therefore imposes a policy on directorship in other companies as in line with the best practices. Each director shall hold directorship in no more than 5 listed companies. For the President, shall take director or President positions in other companies other than subsidiaries, associated companies or other companies in which BAFS holds shares only if such matter is approved by the Board of Directors.

1.7 BAFS has the Assistant Director of the Corporate Secretary Office who has a wide knowledge of laws and passed corporate secretary training programs and other relevant programs to perform as the Corporate Secretary.

1.8 BAFS imposes a policy for its directors, executives or employees to be directors or executives in its subsidiaries as well as arranges a monitoring system for operations and operational direction of subsidiaries to ensure that BAFS is able to oversee its subsidiaries' performance efficiently.

Furthermore, BAFS establishes Subcommittees to assist in studying details and screening tasks to enhance the Board of Directors' work efficiency and ensure its transparency. Details of the Committees are shown in Topic 2: "Subcommittees".

2. Roles, Duties and Responsibilities of the Board of Directors

2.1 To perform duties and responsibilities with accountability, discretion and honesty in compliance with laws, objectives, Articles of Association, AGM resolutions, Board of Director meeting resolutions and the Company's policies related to the Board of Directors. The Board of Directors shall not have interests or commit any acts that cause conflict of interest. A Compliance Unit shall also be set up. In 2019, BAFS had no records of breaches of laws, rules and regulations of the SEC and the SET.

2.2 To consider and review BAFS's vision, mission, objectives, main goals, strategies, policies, core values as well as resource allocation. In 2019, the Board of Directors reviewed BAFS's vision, mission and strategies accordingly.

2.3 To ensure that BAFS creates sustainable value covering good long-term returns, conducts its business with ethics and is accountable to the stakeholders while developing or mitigating negative impacts towards the environment and being able to adapt to changes.

2.4 To ensure that the executives and employees perform their duties with accountability, discretion and integrity and to undertake the operations in compliance with laws, objectives, regulations, AGM resolutions, Board of Director meeting resolutions and the Company's relevant policies.

2.5 To assign duties and responsibilities to the President and the management explicitly in writing and to ensure that the directors and executives perform their duties efficiently and effectively in accordance with policies and scope of duties and responsibilities assigned.

2.6 To oversee and ensure that the management sets up and implements operational plans in accordance with vision, objectives, goals, strategic plans and the Board of Directors resolutions as well as allocate resources efficiently and effectively while cultivating a corporate culture that promotes innovation creation in order increase BAFS's long-term. BAFS's strategy implementation shall be monitored every 6 months.

2.7 To stipulate and review structure and composition of the Board of Directors as well as appropriate proportion of directors and independent directors to ensure their consistency with the Company's business objectives and strategic plans.

2.8 To establish a nomination and selection process to appoint transparent directors and President and a development process for directors, President and senior executives in order to ensure that they have knowledge, skills, experience and attributes that are necessary for driving the organization toward the achievement of goals and to monitor and oversee human resource management and development in order to ensure appropriate number of workforce, knowledge, skills, experience and incentives.

2.9 To set appropriate remuneration for the directors and executives by benchmarking their roles and responsibilities against those of other companies in the same industry. Such remuneration shall be consistent with BAFS's strategies, short-term and long-term goals and operating results.

2.10 To oversee and deal with conflict of interest which may occur between the Company and the Board of Director, the management or shareholders as well as misuse of the Company's assets, information, opportunities and transactions entered into with BAFS's related persons in order to ensure compliance with laws, criteria and official regulations.

2.11 To impose, oversee and monitor compliance with the Anti-Corruption Policy and anti-corruption practice guidelines, actions taken upon receipt of complaints and whistleblowing procedures at all organizational levels and for external parties.

2.12 To ensure that BAFS has effective risk management, internal control and internal audit systems in order that BAFS's operations would comply with relevant laws and standards.

2.13 The independent directors shall independently exercise their discretion in strategy determination, management, use of resources, committee appointment and operational standard setting. The independent directors shall be ready to oppose actions of other directors or the management in the event of conflict that affects equality of all shareholders.

2.14 Whether for their benefits or benefits of others, the Company's directors shall not conduct businesses or be directors or executives or shareholders of companies conducting the same business and competing with the Company unless such directors notify shareholders meeting or the Board meeting of such matters prior to the appointment resolution. In this regard, Company's director shall take director positions for no more than 5 listed companies.

2.15 To keep the Company's internal information confidential and shall not use such information for their benefits or benefits of others as well as refrain from trading in securities for at least 30 days before and 1 day after the announcement of financial statements.

2.16 BAFS's directors shall report without hesitation to the Company in the events as follows:

(1) The director or related person having direct or indirect interests which are related to the Company or its subsidiaries' business operations;

(2) Increase or decrease in shares or debentures of the Company or affiliated companies.

2.17 To appoint a Corporate Secretary to provide suggestions related to laws and regulations, to undertake documentation and to maintain documents related to the Board meeting and shareholder meeting as well as to perform other duties as required by laws.

2.18 To have the financial reports and other reports prepared in accordance with relevant rules, standards and practices. The accurate, adequate and equitable information shall be disclosed to stakeholders in a timely manner. In the meantime, the shareholders are entitled to participate in making decision on the Company's important issues.

2.19 The Board of Directors may consider hiring external consultants to provide suggestions or assists the Board of Directors. The consultants' information including their independence or non-conflict of interest shall be reported to the Board of Directors and disclosed in the Annual Report.

2.20 Roles and responsibilities of the Board of Directors and the management are clearly separated from each other in terms of structures and duties. In this regard, letters of delegation of authority identifying clear scope of authority are prepared for executives. Meanwhile, the Company communicates such roles, duties and responsibilities to related persons regularly.

2.21 BAFS's Code of Conduct can be categorized into the following:

- Code of Business Conduct
- Code of Conduct for stakeholder groups such as shareholders, customers, business partners (trade partners or suppliers/ distributors or creditors/guarantors), customers, society, community and environment, regulators and competitors
- Director Code of Conduct
- Code of Conduct for employees in different areas such as conflict of interest, confidentiality, procurement, use of insider information, anti-bribery and anti-corruption, intellectual property and use of information technology
- Compliance monitoring and disciplines

Moreover, BAFS develops a Supplier Code of Conduct serving as standards and practice guidelines for business operations mutually conducted with its business partners such as aviation fuel suppliers, or goods, or related products in support of the Company's service, or suppliers of goods or services for the Company.

BAFS promotes compliance with the Code of Conduct, establishes a tangible compliance monitoring system such as online self-assessments on a yearly basis for all executives and employees as well as analyzes Code of Conduct test results and reports them to the Board of Directors.

2.22 The Board of Directors clearly defines a Conflict of Interest Policy in BAFS's Code of Conduct and establishes procedures to monitor transactions that may cause conflict of interest and regulations regarding connected transaction in accordance with the regulations of the SEC. In case any transaction must be approved by the Board of Directors and/or shareholders meeting, such transaction will be firstly reviewed, screened and commented by the Audit Committee. However, in case the Board of Directors' opinion is different from the Audit Committee's, BAFS shall disclose their different opinions as well. In this regard, the Company's directors who have interests in any agenda item, shall not be entitled to vote such agenda item.

2.23 BAFS disclosed information regarding its connected transactions with persons who may have conflict of interest in 2019. The Board of Directors viewed that all connected transactions were reasonable, fair and at arm's length also beneficial to BAFS's business. The pricing is based on normal business operations and in compliance with the SEC regulations as shown in Topic "Connected Transactions".

2.24 BAFS has adequate and appropriate internal control system and workforce to conduct its internal control efficiently. Meanwhile, BAFS monitors and oversees its subsidiaries' performance to ensure that they are able to protect assets from wrongful actions or without authority of their directors and executives. In 2019, no significant internal control system failures were found. Its detail is shown in Topic: "Summary of Opinions Concerning Internal Control System of 2019".

2.25 The Board of Directors defines the Risk Management Policy by focusing on implementation of risk management process throughout the organization to support BAFS's achievement of objectives according to its strategic plans. The Corporate Risk & Strategic Management Office undertakes risk management monitoring to ensure that every department complies with risk management process and measures success of strategic objectives on a yearly basis. In addition, BAFS sets risk indicators as early warnings and has relevant persons establish corrective measures to improve better performance before a crisis occurs and any correction cannot be done. In this regard, the Risk Management Committee

considers and summarizes risk management performance, while the Audit Committee reviews such summary and reports it to the Board of Directors on a quarterly basis.

2.26 To assess effectiveness of internal control and risk management systems, BAFS sets up the Internal Audit Unit to conduct audits on internal control and risk management systems as well as provide assurance and advice fairly and independently to increase value and improve BAFS's operations. The Internal Audit Unit also prepares an auditing report for the Audit Committee and a management report for the President. In addition, the Board of Directors and the Audit Committee review adequacy of internal control and risk management systems and regularly provide comments on such matters on a yearly basis.

2.27 To assess effectiveness of internal control system, the Internal Audit Unit reviewed incident indicators or risk factors affecting objectives and risk management approaches of operators to ensure accurate and appropriate risk identification and assessment. Meanwhile, the Internal Audit Unit ensures systematic risk management and reports risks to relevant persons in a complete and timely manner while continually reviewing risks on a quarterly basis.

3. Approval Authority of the Board of Director

The Board of Director has authority to set policies and approve the Company's matters within the scope of duties stipulated by laws, the Company's Articles of Association and shareholders meeting resolutions as follows:

- Setting and review of vision, mission and operational strategies;
- Annual budget and business plans;
- Appointment of directors vacating their positions during the year;
- Appointment of representative directors in subsidiaries or associated companies;
- Joint venture projects and important contracts; and
- Connected Transactions.

4. Board of Directors Meeting

4.1 The Board of Directors schedules annual Board meetings, which are notified to all Board members, in advance to allow them to allocate their time for meeting attendance. There shall be the maximum number of 5 meetings per year, which are appropriate for the duties and responsibilities of the Board of Directors and its business nature. However, special meetings may be held as deemed necessary. The Chairman of the Board of Directors together with the President shall determine a meeting agenda whereas all board members are entitled to propose agenda items independently. In 2019, BAFS held 5 Board of Directors meetings. Each director attended meetings regularly.

Details of meeting attendance of the Board of Directors and Subcommittees are shown in Topic: "Board of Directors".

4.2 BAFS delivers a meeting invitation letter with clear and adequate supporting documents for each agenda item to the directors for at least 5 working days in advance to ensure their sufficiency of time for studying all details prior to the meeting.

4.3 Final decision of the Board of Directors meeting is reached by a majority vote. Each director has one vote, except for the director having interests in the matter who is not entitled to vote for such matter. In the event of a tie of vote, the Chairman shall give a casting vote. Moreover, BAFS stipulates a quorum for a Board meeting whereby not less than two-thirds of the total number of directors must attend the meeting.

4.4 In each Board meeting, the Chairman allots sufficient time for the management to propose issues and directors to discuss circumspectly and thoroughly on the issues. The Chairman also encourages the meeting to exercise discretion carefully. Moreover, the Board of Directors allows the President to invite the management, who are relevant to proposed issues, to attend the meeting for clarifying and providing additional information. In addition, directors can require more information from the Corporate Secretary. The Board of Directors may allow the Company to propose opinions of external consultants or experts as deemed necessary.

4.5 The Corporate Secretary prepares meeting minutes with complete and accurate details such as names of directors who attend and who are absent from the meeting, substantial summary of discussed issues, opinions of each director as well as resolutions of the Board of Directors. All details are to be clear for shareholders' inspection as required by laws. BAFS also provides a good and careful meeting minutes filing system.

4.6 Each director shall attend at least 75 percent of the total number of meetings each year.

5. Chairman of the Board of Directors and President

The Chairman of the Board of Directors is the director, who is neither the executive director nor the President, does not have any relationship with the management. Their roles, authorities and duties are clearly segregated. The Chairman of the Board is an independent director whose duties are as follows:

5.1 To consider a Board of Directors meeting agenda with the President and ensures that Board members receive clear, accurate, complete and timely information prior to the meeting to appropriately assist in their decision making;

5.2 To be a leader of the Board of Directors and a chairman of the Board of Directors meeting;

5.3 To conduct a Board of Directors meeting according to the agenda, the Company's Articles of Association and applicable laws;

5.4 To allocate sufficient time and encourage all Board members to discuss and exchange opinions freely with discretion and concern for all stakeholders;

5.5 To summarize Board of Directors resolutions and further actions clearly;

5.6 To arrange a Board of Directors meeting without the presence of the executive directors;

5.7 To lead a shareholders meeting according to the agenda, the Company's Articles of Association and applicable laws by allocating sufficient time and giving shareholders opportunities to express their opinions equally and ensure appropriate and transparent responses to the shareholders' inquiries;

5.8 To support and be a role model in compliance with the Good Corporate Governance and Anti-Corruption Policy and Code of Conduct;

5.9 To enhance good relationships between the executive directors and non-executive directors and between the Board of Directors and the management;

5.10 To oversee information disclosure and transparent management in the event of conflict of interest;

5.11 To oversee appropriateness of the Board of Directors' structure and composition;

5.12 To oversee the overall performance of the Board of Directors, Subcommittees and each individual director to ensure their efficiency and effectiveness and achievement of objectives as planned;

5.13 To perform specific duties of the Chairman of the Board of Directors stipulated by laws; and

5.14 To ensure that all directors take part in promoting ethics and good corporate governance in core values.

The President is the head and leader of BAFS's management, directly reporting to the Board of Directors in order to achieve objectives of policy and strategic plans as specified.

6. Non-Executive Director Meeting

The Board of Directors encourages non-executive directors to meet each other as deemed necessary in order to discuss various issues receiving much attention without participation of the management. In 2019, there was one meeting of non-executive directors without participation of the management to discuss about BAFS and subsidiaries' performance, held on December 16, 2019. The meeting results were notified to the President.

7. Self-Assessment of the Board of Directors

BAFS arranges assessments of the Board of Directors and Subcommittees on a yearly basis. The performance assessments of the Board of Directors and Audit Committee are divided into 2 categories, namely a collective assessment and an individual self-assessment. The Subcommittees, including the Remuneration Committee, the Nominating and Corporate Governance Committee, the Risk Management Committee and the Corporate Sustainability Committee, uses collective assessments. The assessment forms of the Board of Directors and all Subcommittees contain assessment criteria which are aligned in the same direction and regularly revised to ensure their appropriateness.

With regard to the assessment process of the Board of Directors, the Corporate Secretary and Subcommittees' Secretaries shall deliver assessment forms to directors, which will be later returned to the Company. BAFS will not disclose names of assessors to ensure independence of directors. Furthermore, BAFS will present assessment results to the Board of Directors meetings for their mutual consideration and determination of improvement guidelines for better performance. In 2019, assessment results of the Board of Directors and Subcommittees were rated "very good to excellent", with details as follows:

The Board of Directors and Committees	Average Score (Percentage)
Collective performance assessment results of the Board of Directors	97.4
Individual performance assessment of the Board of Directors	95.7
Collective performance assessment results of the Audit Committee	99.6
Individual performance assessment results of the Audit Committee	98.4
Performance assessment results of the Remuneration Committee	99.8
Performance assessment results of the Nominating and Corporate Governance Committee	99.4
Performance assessment results of the Risk Management Committee	99.0
Performance assessment of the Corporate Sustainability Committee	96.4

The criteria for collective performance assessment of Board of Directors include 9 main topics as 1. Structure and qualifications of the Board of Directors; 2. Roles, duties and responsibilities of the Board of Directors; 3. Appointment of directors and committee members; 4. Board of Directors meeting; 5. Shareholders meeting; 6. Report of information; 7. Relationship with the management; 8. Director self-development and executive development; and 9. Suggestions.

The criteria for individual performance assessment of Board of Directors include 8 main topics as 1. Qualifications of the director; 2. Holding a position of the Company's director; 3. Remuneration of the director; 4 Meeting participation; 5. Board of Directors meeting; 6. Roles, duties and responsibilities of the director; 7. Training and other information; and 8. Suggestions.

Furthermore, BAFS regularly arranges an assessment of the Board of Directors meeting efficiency after each meeting. Its results will be informed in the next meeting. In 2019, the overall results were rated "very good to excellent".

8. Performance Assessment of the President

BAFS arranges a President performance assessment on yearly basis whereby the Remuneration Committee conducts such assessment and presents its results to the Board of Directors for approval. The summary of the President performance assessment is kept confidential. The criteria for President performance assessment are divided into 3 parts as 1. BAFS's profits; 2. BAFS's strategic plans; and 3. Behavior and management. The assessment results are used for the President's salary adjustment, whereby its details will be further proposed to the Remuneration Committee and the Board of Directors for approval.

9. Remuneration

Remuneration of Director: BAFS's Remuneration Committee is responsible for considering remuneration provided to its directors. The remuneration determination process is explicitly and transparently defined and approved by the Shareholders meeting. The director's remuneration is adjusted to be appropriate with duties and responsibilities assigned and in the same range of businesses in the industry or businesses of similar size. Meanwhile, it is high enough to maintain qualified directors as required. In addition, BAFS's director who is assigned to undertake more duties will receive higher remuneration.

Remuneration of the President: the Board of Directors approves remuneration of the President, consisting of short-term remuneration such as monthly remuneration and bonus, and long-term remuneration whereby it is firstly screened by the Remuneration Committee in accordance with the employment contract. Key Performance Indicators (KPIs) are applied for annual performance assessment of the President as well as performance assessment of the directors and executives by using actual performance during January to December, comprising:

Part 1 BAFS's profits;

Part 2 BAFS's strategic plans, covering financial, customer and stakeholder, internal process and learning and development perspectives; and

Part 3 Behavior and management and other criteria approved by the Board of Directors.

For such performance assessment, the President, who is an executive director and has interest in the matter, does not take part in the consideration. The Chairman of the Board of Directors will inform the President of the results.

Remuneration of Executives and Employees: BAFS determines remuneration of executives and employees in accordance with the principles and policy stipulated by the Board of Directors, which is aligned with BAFS's profits in each year and performance results of each executive and employee by implementing Key Performance Indicators (KPIs) system.

BAFS discloses remuneration of the Board of Directors and top executive in the topic "Management Structure - Remuneration of Director and Executive". In 2019, remuneration of employees was 675,000,989.32 Baht in total.

10. Director and Executive Development

10.1 BAFS promotes and facilitates its directors and executives by providing them with training programs to ensure their performance improvement consistently.

10.2 The Board of Directors develops guidelines for the Good Corporate Governance and Anti-Corruption Policy, Anti-Corruption Policy and Code of Conduct, which are distributed to all directors. To ensure their up-to-date, the contents are regularly improved. The Board of Directors then acknowledges crucial criteria regarding the Board of Directors and Subcommittees as well as major policies and important information of BAFS and is able to ensure more effective corporate governance.

10.3 BAFS organizes orientation programs for new directors whereby the President and relevant executives together with the Corporate Secretary and Manager - Investor Relations present information regarding shareholding structure, organizational structure, business characteristics, BAFS's operations, important financial information, the Corporate Group information, the Board of Directors Meeting and other information such as relevant criteria for good corporate governance, anti-corruption and criteria of the SET and the SEC.

10.4 BAFS arranges orientation programs for newly-appointed executives whereby the Corporate Secretary presents information such as the policy and criteria related to good corporate governance, anti-corruption and criteria of the SET and the SEC.

10.5 BAFS places importance on enhancing knowledge and capabilities of all directors by encouraging them to attend trainings or seminars related to directors. BAFS's directors had participated in such trainings or seminars for over than 75 percent of all collective. In 2019, there was 1 director namely Mr. Nattapong Samit-ampaipisarn attending the Director Accreditation Program (DAP), Class 165/2019, which organized by the Thai Institute of Directors (IOD).

11. Succession Plan

The Board of Directors recognizes that human resource, especially at the management level, is one of the key factors contributing to the achievement of sustainability in its organizational management. Therefore, BAFS promotes the implementation of succession planning policy to have successors manage the organization systematically. In addition, as competent human resource at the management level can greatly contribute to its organizational growth, BAFS then defines a nomination and selection process based on explicit, tangible and transparent criteria, which are consistent with the Code of Conduct, in order to achieve its organizational goals.

BAFS arranges appropriate and transparent guidelines for nomination and selection process of candidates to fill in executive and senior executive-level positions in advance. To ensure that BAFS selects candidates who are ethical, competent and well-prepared in all aspects to build and improve its competitiveness in a continuous and sustainable manner, it then sets criteria for consideration and selection of successors as follows:

11.1 President

The Nominating and Corporate Governance Committee shall nominate and select both internal and external competent candidates by considering experience in energy business or related businesses, skills and specific qualifications in various fields necessary for BAFS's business, high leadership capacity, vision, management knowledge and capabilities aligned with core values and beneficial to the business.

11.2 Deputy Director/Assistant Director and Director

When Deputy Director/Assistant Director and director positions are going to be vacant, BAFS shall nominate and select competent employees at department manager level by implementing the following procedures:

- Evaluate competence of qualified candidates;
- Arrange professional tests including English proficiency, ability and aptitude, managerial thinking, work presentation and vision communication, and interviews conducted by the candidate screening committee comprising senior executives;
- Set up an executive development plan for the chosen executives to ensure their preparedness for the vacant positions;
- Specify a probation period upon taking the positions and systematically conduct performance assessments by means of the KPIs upon the completion of probation period.

Given that succession planning, as one of the key elements of sustainable good corporate governance, offers a solution to a shortage of employees in key positions, therefore, BAFS therefore periodically assesses the situations and conducts forecasts as well as consistently nominated, developed and prepared replacement employees.

Report of the Remuneration Committee for the Year 2019

Dear Shareholders of Bangkok Aviation Fuel Services Public Company Limited

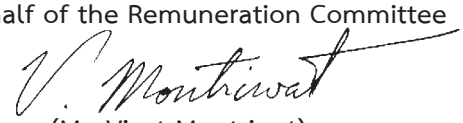
The Remuneration Committee consists of 4 directors and 2 of them are independent directors namely Mr. Visut Montriwat as Chairman of the Remuneration Committee and Mr. Pachara Yutidhammadamrong as Remuneration Committee Member. Other Committee Members, as Directors by position, include M.R. Supadis Diskul, Executive Chairman, and Mr. Prakobkiat Ninnad, President. Ms. Prapis Ruthairung, Finance & Accounting Director, is acting as a Secretary of the Remuneration Committee.

The Remuneration Committee has performed its duties as prescribed in the Charter of Remuneration Committee, which was approved by the Board of Directors. To enhance the efficiency of the Board of Directors and conform to the principles of good corporate governance, the Remuneration Committee has also provided opinions that are deemed beneficial to the Company and shareholders to the Board of Directors and Shareholders. In 2019, the Company arranged 3 Remuneration Committee Meetings attended by all members of the Remuneration Committee, accounting for 100% attendance. The meeting results were reported to the Board of Director Meetings after every meeting. The key points of the meetings can be summarized as follows:

1. **Consideration of the remunerations for the Board of Directors and Subcommittee,** whereas the Remuneration Committee took into account the suitability and the relevance of their duties, responsibilities, and performance, as well as the Company's operating results and overall economic situation, including comparing them to the remunerations of other listed companies in similar size and the industry.
2. **Consideration of the remunerations for high-level executives,** whereas the Remuneration Committee evaluated their performances against the targets and Key Performance Indicators (KPIs) as well as considered guidelines for appropriate and sufficient remunerations and benefits which were regarded as incentives on the achievement of short-term and long-term goals according to the policy and principle approved by the Board of Directors.
3. **Consideration of dividend payment including interim dividend and annual dividend,** whereas the Remuneration Committee considered interim dividend and annual dividend. Results of such consideration were proposed to the Board of Directors and/or the Shareholders Meeting for approval, as the case may be. The Remuneration Committee also provided opinions acquired while performing its duties in compliance with the stipulated policy and criteria.
4. **Consideration on the assessment of the 2019 Remuneration Committee's performance** in order to comply with the principles of good corporate governance, whereas the 2019 assessment results indicated that the Remuneration Committee had fully performed its duties according to the Charter of Remuneration Committee with effectively. The performance assessment included topics such as structure and qualifications, roles and responsibilities, meetings and functions of the committee, self-development and performance assessment, etc.

The Remuneration Committee has performed its duties as assigned by the Board of Directors in a complete, discreet, prudent and independent manner to ensure compliance with the principles of good corporate governance, relevant rules, and laws. In order to support business growth according to the predetermined direction for the maximum benefits of all shareholders and stakeholders.

February 11, 2020
On behalf of the Remuneration Committee



(Mr. Visut Montriwat)
Chairman of the Remuneration Committee

Report of the Nominating and Corporate Governance Committee for the Year 2019

Dear Shareholders of Bangkok Aviation Fuel Services Public Company Limited

The Nominating and Corporate Governance Committee consists of 4 directors, namely, Mr. Aswin Kongsiri, Chairman of the Nominating and Corporate Governance Committee, and M.R. Supadis Diskul, Mr. Prakobkiat Ninnad, Mr. Surachai Piencharoensak* and Mr. Pipat Purnananda**, members of the Nominating and Corporate Governance Committee.

In 2019, the Nominating and Corporate Governance held 5 meetings in total to perform its duties as stipulated in the Charter of the Nominating and Corporate Governance Committee. Summary of subject matters in the meetings are as follows:

1. Considered the election of directors in place of those who retired by rotation and directors who resigned before the expiration of their terms. The Nominating and Corporate Governance Committee nominated directors by examining the candidates' qualifications in terms of their knowledge, capabilities, experience, vision, morality and ethics as well as other qualifications as defined by the Company. In addition, the Nominating and Corporate Governance Committee also considered the Company's board diversity and set up a board skill matrix to specify qualifications of required directors based on necessary skills that the Board of Directors was still lacking, to fit with the Company's operating strategy. In this regard, information from the Director Pool was used as a part of the nomination process.
2. Oversaw and monitored the Company's business operation in accordance with its membership of the Private Sector Collective Action Coalition against Corruption.
3. Considered and provided recommendations on self-evaluation tool for countering bribery and assessment documentation for renewing membership of the Private Sector Collective Action Coalition against Corruption.
4. Considered and provided recommendations regarding the Company's business operation to ensure conformity to the criteria of Corporate Governance Report of Thai Listed Companies developed by the Thai Institute of Directors.
5. Considered, reviewed and improved the Board Charter and the Nominating and Corporate Governance Committee Charter, the Corporate Governance and Anti-corruption Policy, the Anti-corruption Policy and the Code of Conduct to ensure their consistencies with the Corporate Governance Code (CG Code) 2017 issued by the Securities and Exchange Commission as well as the criteria, rules and regulations of the Stock Exchange of Thailand, the Capital Market Supervisory Board and the Thai Institute of Directors.

* Mr. Surachai Piencharoensak resigned from the Nominating and Corporate Governance Committee on October 1, 2019.

** Mr. Pipat Purnananda was appointed to be the member of the Nominating and Corporate Governance Committee from December 16, 2019, onwards.

6. Considered and approved a corporate governance promoting plan, which included training and the Company's activities organized for all directors, executives and employees, to ensure that their performance complied with the Corporate Governance and Anti-corruption Policy, the Anti-corruption Policy and the Code of Conduct. The activities comprised trainings on the anti-corruption measures for the Board, the CG Day including activities providing knowledge on the Code of Conduct and the anti-corruption measures to the Company's employees, seminars for suppliers, vendor/distributors and the on-line tests regarding the Code of Conduct and the anti-corruption measures for the executives and employees.
7. Considered and provided recommendations on the on-line tests regarding the Code of Conduct and the anti-corruption measures for the executives and employees.
8. Oversaw the performance of the Corporate Governance Working Group as in line with the Corporate Governance Working Group plan.

The Nominating and Corporate Governance Committee has carried out its duties by adhering to the corporate governance principles to ensure transparency and fairness in the Company's business operation for the benefits of all stakeholders.

February 12, 2020
On behalf of the Nominating and
Corporate Governance Committee

(Mr. Aswin Kongsiri)
Chairman of the Nominating and
Corporate Governance Committee

Report of the Risk Management Committee for the Year 2019

Dear Shareholders of Bangkok Aviation Fuel Services Public Company Limited

The Risk Management Committee consists of 5 directors, whereas 2 of them are independent directors including Mr. Aswin Kongsiri, the Chairman of the Committee, and Mr. Pipat Purnananda, the Committee member. The Committee members by positions include M.R. Supadis Diskul (Executive Chairman), Mr. Prakobkiat Ninnad (Managing Director), Mr. Amnuay Pahuvanich* (Consultant to Executive Chairman), M.L. Nathasit Diskul** (Vice President). Mrs. Duangvilai Singkarawanich (Assistant Director, Corporate Risk & Strategic Management Office) is the Secretary of the Committee.

The Risk Management Committee had executed all duties as mentioned in the Risk Management Policy and Charter covering risk management guidelines of the Committee of Sponsoring Organizations of the Tradeway Commission - Enterprise Risk Management (COSO:ERM) in accordance with international standards and guidelines of the Stock Exchange of Thailand. In 2019, the Risk Management Committee held totalling 6 meetings which included 4 quarterly meetings and 2 special meetings. All committee members were present at every meeting, thus constituting a quorum at 100 percent completely. The reports of every meeting were submitted to the Board of Directors. All meetings' subject matters can be summarized as follows:

1. **Supervised the risk management processes continuously** by carefully reviewing and considering risk appetite, risk tolerance, key risk indicators (KRIs) as well as issues and risk management plans at the beginning of every year and reporting the progress of risk management plans and status of KRIs on a quarterly basis, all of which were undertaken to ensure that BAFS still managed risks within the tolerance level and can achieve the strategic objectives and goals for the year 2019.
2. **Scrutinized and commented on the significant risk management plans** by focusing on worthiness and efficiency of risk management plans which could mitigate risks effectively.
3. **Oversaw financial risk management** to ensure BAFS's financial target and result were met and sufficient cash flow was maintained for operating expenses and loans. The Risk Management Committee determined trigger points including total expenditures, EBITDA and cash flow and required that the status of trigger points and pro forma cash flow were reported at its quarterly meetings.

* Mr. Amnuay Pahuvanich was the member of the Risk Management Committee only until November 30, 2019, due to his retirement.

** M.L. Nathasit Diskul was appointed to be the member of the Risk Management Committee from December 1, 2019, onwards.

4. **Oversaw BAFS's subsidiaries (BAFS Group) enterprise risk management** by monitoring the management of subsidiaries including Thai Aviation Refuelling Limited (TARCO) and Fuel Pipeline Transportation Limited (FPT) to report the progress of risk management plans for the core business expansion projects, in order to verify or provide additional comments on risk management to ensure that the projects were implemented within BAFS's tolerance level.
5. **Reviewed the risk management policy and the Risk Management Committee charter** to ensure the appropriateness and alignment with the good corporate governance principles of the Stock Exchange of Thailand (SET), which were regularly presented to the Board of Directors every year.
6. **Conducted self-assessment of the Risk Management Committee's performance (collective)**, whereas the assessment results of 2019 showed that the Risk Management Committee fully performed its duties and responsibilities as specified in the Risk Management Policy and Committee charter.
7. **Prepared the risk management performance report** to be submitted to the Audit Committee for review and the Board of Directors for acknowledgement after every meeting of the Risk Management Committee.

January 15, 2020
On behalf of the Risk Management Committee

(Mr. Aswin Kongsiri)
Chairman of the Risk Management Committee

Report of the Corporate Sustainability Committee for the Year 2019

Dear Shareholders of Bangkok Aviation Fuel Services Public Company Limited

The Corporate Sustainability Committee, within the scope of responsibilities as specified in the Corporate Sustainability Committee Charter, is responsible for overseeing corporate sustainability management by placing emphasis on delivering balanced value to all stakeholders to create the Company's sustainable value as well as ensuring that all activities of BAFS and subsidiaries are aligned in the same direction.

In 2019, the Corporate Sustainability Committee held 4 meetings in total. All subject matters can be summarized as follows:

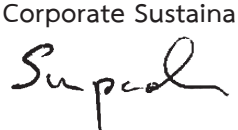
1. Executed tasks according to a sustainability policy framework set as BAFS Group's guideline for corporate sustainability management with emphasis on delivering balanced value, covering all economic, social and environmental dimensions, to stakeholders along the supply chain and ensuring operational excellence and good service quality with the highest safety standards and in accordance with the international standards.
2. Oversaw an operational-level working group on sustainability consisting of representatives from each sustainability-related agency and chaired by Managing Director of BAFS as well as supervised the working group on global warming mitigation and the working group on greenhouse gas reduction of BAFS Group.
3. Followed up the implementation of Sustainability Master Plan consisting of 8 plans derived from the sustainability materiality issues, covering
   - The economic dimension, includes a supply chain management plan, a business innovation plan
   - The social dimension, includes a stakeholder engagement plan, a procurement process for sustainability plan, an employee satisfaction and engagement assessment plan and a community engagement plan
   - The environmental dimension, includes a greenhouse gas reduction and climate change mitigation plan and an efficient and sustainable resource allocation plan

   The Corporate Sustainability Committee regularly reported its performance to the Board of Directors.
4. Considered and followed up the environmental impact mitigation and reduction of greenhouse gas emissions by undertaking projects to reduce environmental problems, including the application of electric cars and motorcycles to conduct a study on the volume of greenhouse gas emissions compared with the gasoline cars, the solar cell installation project to reduce energy consumption, the corporate carbon footprint, the participation in Thailand Voluntary Emission Reduction or T-VER project, the reduction of greenhouse gas emissions and small particles from the Northern fuel pipeline system expansion project and BAFS Group's effort towards becoming CARBON NEUTRAL in 2020.
5. Considered the scope of sustainability reporting based on the GRI standards to ensure comprehensive and transparent disclosure of information to the public.

The Corporate Sustainability Committee was fully committed to corporate sustainability management and delivered balanced value, covering all economic, social and environmental dimensions, to the stakeholders along the supply chain.

February 4, 2020

On behalf of the Corporate Sustainability Committee



(M.R. Supadis Diskul)

Chairman of the Corporate Sustainability Committee

Social Responsibility

Bangkok Aviation Fuel Services Public Company Limited (BAFS) places importance on conducting business with community, social and environmental responsibility. BAFS, therefore, set its Sustainability Policy and Social Responsibility Policy with details as follows:

Sustainability Policy

BAFS and its subsidiaries operate their business with sustainability objectives, goals and strategies by following the good corporate governance framework, aiming for the excellent performance and focusing on quality service with the highest safety standards according to international standards in order to deliver values according to its stakeholder expectations will be delivered. BAFS's operating policies are as follows:

1) To conduct business balanced in terms of economy, society and environment according to the good corporate governance framework by concerning to all stakeholder groups to ensure sustainable business growth;

2) To operate activities along the supply chain by paying heed to dimensions covering social, environment, safety and occupational health;

3) To set strategies for ensuring economic growth by using business resources efficiently, coupled with mitigating environmental impacts and addressing climate change;

4) To promote creations and uses of technologies as well as business and social innovations as appropriate on the basis of social and environmental responsibility in order to increase operational efficiency and create participation in social development to achieve social sustainable self-reliance; and

5) To transparently disclose to public comprehensive information relating to corporate sustainability implementation according to the Global Reporting Initiative framework for continuous development.

Community and Social Responsibility

BAFS places emphasis on community and social responsibility by implementing its Corporate Social Responsibility Policy (CSR) at around its operating sites as well as communities and societies, with which BAFS and subsidiaries have involved. BAFS adheres to the principles of good corporate governance, internal and external corporate social responsibility and continuous environmental preservation in order to balance its business operations in terms of economy, society and environment, all of which shall lead to business operational sustainability. BAFS's corporate social responsibility includes 7 aspects as: **1. Good Corporate Governance; 2. Respect of Human Rights; 3. Fair Labour Practices; 4. Environmental Conservation; 5. Fair Operating Practices; 6. Service Responsibility; and 7. Community and Social Responsibility.**

BAFS has adhered to and carried out such practices while considering responsible business is a key factor for creating trustworthiness and international acceptance, including delivering value to society to enable the business and community to grow sustainably together.

Communities and Societies under BAFS's Attention

BAFS conducts community engagement by dividing it into 2 levels, namely, 1. area-level community and social engagement, and 2. broad-scale community and social engagement.

Regarding the area-level community and social engagement, BAFS specifies 2 main areas being supported directly by BAFS and 1 area being supported indirectly through its subsidiaries. They include:

1. **Main areas being supported directly** are the communities surrounding Don Mueang Airport Depot, namely, Prachakorn 3 and Ruamsaingam as well as the communities surrounding Suvarnabhumi Airport Depot comprising Moo 2, 9 and 10 of Srisa Jorakhanoi Sub-district, Bang Saothong District, Samut Prakran Province, all of which are main areas in which BAFS has provided its services.
2. **Broad-scale community and social engagement** includes the communities surrounding BAFS Group's establishments and Phramongkutklao Hospital to which BAFS has provided support and has jointly organized activities for 12 years, including many public benefit organizations to which BAFS has provided support such as Thai Red Cross Society, Thai Muslim Women Foundation of Thailand for the Welfare of Orphans and other foundations, etc.

   Moreover, BAFS place value on preservation of religion by participating in Buddhism activities with temples surrounding its establishment, including supporting and improving schools in networks around its establishments.

   In addition, to ensure completeness and transparency in the development and dissemination of information on corporate social responsibility to the public, BAFS has therefore prepared a sustainability report separately from an annual report to disclose its sustainability performance covering economic, social and environmental dimensions to stakeholders. In 2019, BAFS reported its sustainability performance by using the GRI-Standards in terms of In Accordance and Core option. Moreover, BAFS realizes the importance of the Sustainable Development Goals (SDGs), then, the report addresses the consistency with the SDGs, which would be using as strategic planning guidelines for achieving the Sustainable Development Goals (SDGs).

   More details about the reporting can be found in Sustainability Report 2019 or BAFS's website at www.bafsthai.com.

Management Discussion and Analysis For the Operating Results ended December 31, 2019

1. Report and Analysis of the Operating Results

In 2019, the amount of aviation fuel services volume at BKK and DMK totaling up to 6,139 million liters, which have the growth rate of 2.3%(y-o-y) while the total flights increased by 1.2%(y-o-y) to 307,184 flights. While the passengers who traveling through BKK and DMK have a total of 106.7million, increasing by 2.5% (y-o-y). The passenger growth rate decelerated in accordance with the global economic growth which was affected by the trade war between the United States and China, together with the appreciation of the Thai Baht as one of the factors sending the impact on tourism decisions in Thailand. For the total multi-products fuel transportation volume of FPT was decreased by 0.6%(y-o-y) to 4,569 million liters.

	2019	2018	Growth (y-o-y)
Aviation Refuelling Services Business :			
Aviation Fuel Volume (million litres)	6,139	6,003	2.3%
Flights	307,184	303,520	1.2%
Fuel Pipeline Transportation Business :			
Multi-products Fuel Volume (million litres)	4,569	4,597	(0.6%)

* Note: Total Flights was data of flights that serviced by BAFS only at BKK and DMK

Total revenue of 2019 of the Group was Bt3,956.1 million increased by Bt149.5 million or 3.9%(y-o-y) and the services income was of Bt3,872.4 million increased by Bt118.1 million or 3.1%(y-o-y) which according to the growth of the total fuel volume that the Group provides services.

However, from the start of operation of the Northern Fuel Pipeline Project Phase I (Bang Pa-in - Phichit) of FPT during the second quarter of 2019, resulting in the Group recognizing operating costs of depreciation and interest expenses of the project that started to be recorded in the income statement and the effect of recording additional compensation rates for employees who have worked consecutively for over 20 years shall be entitled to compensation not less than the last 400 days' wage rate under the Labor Protection Act (No. 7) BE 2562. The total expenses of the Group increased by 11.4%(y-o-y), which is higher than the total revenue increased by 3.9% (y-o-y), resulting in the net profit attributable to Euity holders of the company in the year 2019 amounted to Bt939.9 million decreased by Bt110.7 million or 10.5%(y-o-y), with a net profit margin of 24.5%, a decrease compared to last year at 29.2% and representing earnings per share of Bt1.47.

Table summarized the operating results of the Group

(unit : Bt million)

	2019	2018	Inc / (Dec)	Growth (y-o-y)
Services income	3,872.4	3,754.3	118.1	3.1%
Others income	83.7	52.3	31.4	60.0%
Total revenues	3,956.1	3,806.6	149.5	3.9%
Costs of service	1,829.2	1,658.9	170.3	10.3%
Gross Profit	2,043.2	2,095.4	(52.2)	(2.5%)
Gross Profit Margin	52.8%	55.8%		
Administrative expenses	701.4	611.8	89.6	14.6%
Total expenses	2,530.6	2,270.7	259.9	11.4%
Share of loss from investment in associate	(1.0)	(0.0)	1.0	56991%
EBIT	1,424.5	1,535.9	(111.4)	(7.3%)
EBIT Margin	36.0%	40.3%		
Depreciation and amortization	644.7	560.6	84.1	15.0%
EBITDA	2,069.2	2,096.5	(27.3)	(1.3%)
EBITDA Margin	52.3%	55.1%		
Finance cost	(196.3)	(139.4)	56.9	40.8%
Income tax expenses	(260.8)	(286.3)	(25.5)	(8.9%)
Profit for the period	967.4	1,110.2	(142.8)	(12.9%)
Net Profit to Equity holders of the Company	939.9	1,050.6	(110.7)	(10.5%)
Net Profit Margin	24.5%	29.2%		
Earning per share (Bt)	1.47	1.65	(0.2)	(10.5%)

1.1 Revenue

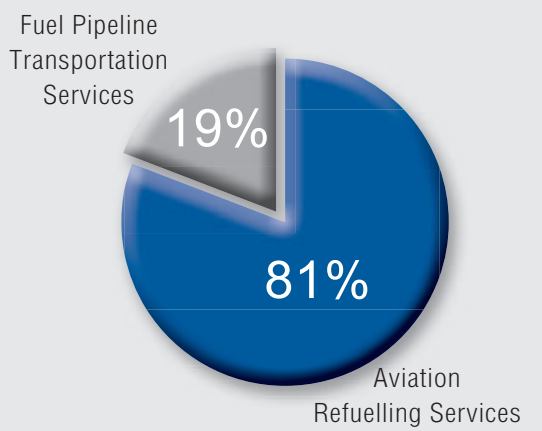
In 2019, total revenues of the Group were Bt3,956.1 million increasing by Bt149.5 million or 3.9% (y-o-y) which comprised of ;-

1.1.1 Services Income

The services income was of Bt3,872.4 million increasing by Bt118.1 million or 3.1%(y-o-y).

For the income proportion separating by business structure consisted of Aviation refueling services at 81% and Fuel pipeline transportation services at 19% respectively.

Services Income structure in 2019



1.1.2 Others Income

Others income was of Bt83.7 million increased by Bt31.4 million or 60.0%(y-o-y) respectively. Due to the revenue from 1) contaminated fuel sales 2) fines from work delayed by the contractors 3) sales of unused aviation refueling vehicles and 4) fuel tank rental services.

1.2 Expenses

1.2.1 Cost of services

In 2019, Cost of services was of Bt1,829.2 million, increased by Bt170.3 million or 10.3%(y-o-y), mainly due to 1) the increasing in the direct labor costs 2) the depreciation from the FPT's multi-products fuel pipeline expansion project to the northern of Thailand (phase 1 or NFPT-phase1) and 3) the affected by the Labor Protection Act. The Gross profit margin of the Group was of 52.8% compared to 55.8% of 2018.

1.2.2 Administrative Expenses

In 2019, the Group had administrative expenses of Bt701.4 million, increasing by Bt89.6 million or 14.6%(y-o-y) due to 1) the affected by the Labor Protection Act 2) the increase in personnel expenses and 3) the increase in consulting fees.

As a result, in 2019, the Group had expenses for cost of services and administrative expenses totaling Bt2,530.6 million, an increase of Bt259.9 million or 11.4%(y-o-y) and operating profit before financial costs, EBIT amounted to Bt1,424.5 million, a decrease of Bt114.4 million or 7.3%(y-o-y), representing operating profit margin, EBIT Margin at 36.0% and EBITDA of Bt2,069.2 million which decreased by Bt27.3 million or 1.3%(y-o-y), representing an EBITDA Margin of 52.3%.

1.2.3 Finances Cost

The financial expenses for 2019 was amounted to Bt196.3 million, an increase of Bt56.9 million or 40.8%(y-o-y). Due to the Group started recognizing interest expenses on loans from the NFPT-Phase 1, Bang Pa-in - Phichit. While the interest arising from the loans for investment in the second phase of Hydrant pipeline system expansion project at BKK of TARCO and NFPT - Phase2, Kamphaeng Phet - Lampang will be capitalized in the projects' cost then would be amortized over the lifetime of the projects.

1.3 Operating Results

Net profit attributable to the Equity of the Company in 2019 was amounted to Bt939.9 million, a decrease of Bt110.7 million or 10.5%(y-o-y) and equivalent to earnings per share of Bt1.47. The net profit margin was of 24.5%. Thus approximately 97% of the Net profit was derived from Aviation refueling services business and around 3% was derived from Fuel pipeline transportation business.

2. Report and Analysis of Financial Status

2.1 Assets

As of December 31, 2019 the Group had total assets at the amount of Bt17,345.8 million, increasing by Bt1,055.5 million or 6.5% from December 31, 2018. The important details of cash flow were as follows:

2.1.1 Cash and cash equivalent of Bt1,426.5 million which cash flow summarized for the period of the year were below;-

- The Group's net cash from operation was of Bt1,488.1 million, decreasing by Bt350.4 million or 19.1%
- Net cash for investment activities was of Bt1,405.8 million, decreasing by Bt2,811.4 million or 66.7% which Bt1,391.4 million were the investment in the expansion of the NFPT project and the second phase of Hydrant pipeline system expansion project
- Net cash used for financing activities was of Bt160.3 million, decreased by Bt2,589.8 million or 106.6%. Due to the Group had drawn down long-term loans for Bt1,414.4 million, while repayments of long-term loans and financial lease payment amounted to Bt336.7 million and dividend payment to its shareholders of Bt934.1 million

2.1.2 Property, leasehold improvement and equipment as of December 31, 2019 was of Bt12,697.0 million, increasing by Bt1,343.1 million or 11.8% from December 31, 2018

2.1.3 Project costs under concession agreements was of Bt1,481.5 million which comprise of Into-plane substation project, Aviation Fuel pipeline equipment, Concession of a subsidiary and Right to use leased land related to concession agreement

2.2 Liabilities

As of December 31, 2019, the Group had total liabilities of Bt9,482.0 million, increasing by Bt1,044.6 million or 12.4% from December 31, 2018. The total liabilities to total equity ratio was of 1.21:1 time and the Interest bearing debts to total equity ratio was of 0.98:1 time. The liabilities comprised of major items which follow;-

2.2.1 Account payable and others account payable was of Bt295.9 million

2.2.2 Long term loan from banks, which are due within one year, was of Bt526.3 million which were belonged to BAFS at the amount of Bt321.4 million, TARCO at the amount of Bt110 million, FPT at the amount of Bt90.5 million and BAFS-Intech at the amount of Bt4.4 million respectively

2.2.3 Long-term loans from banks were Bt7,180.4 million, increasing by Bt888.1 million from December 31, 2018 or 14.1%. These comprise of;-

<u>BAFS</u>

- Long-term loans was of Bt1,767.8 million due on April 30, 2026 with 3 years grace period and quarterly, principal repayment: Bt80.4 million/period (the last repayment will be made for remaining principal) at a fixed rate per annum

FPT

- Long term loan was of Bt88.9 million for the investment in the 3 Diesel Fuel Tanks project at DMK depot. The loan will be due on May 31, 2024 which was monthly principal repayment at Bt2.2 million at the rate of MLR minus percent of fixed rate per annum
- Long term loans was of Bt6,070.0 million and Bt230.0 million for the investment in the Northern Multi-Products Fuel Pipeline project which was quarterly principal repayment at MLR less fixed interest rate. The loans will be due on December 31, 2030 and 2026, respectively which is equivalent to loans net of the current portion in one year of Bt5,139.0 million
- Long-term loans was of Bt9.1 million for use in Energy conservation projects. The loan will be due in March 2023 which was monthly principal repayment at Bt0.34 million at a fixed percentage per annum

TARCO

- Long term loan was of Bt110.0 million, which TARCO had a loan agreement for Bt550 million to invest in the Hydrant pipeline system expansion project Phase II at BKK. TARCO has been granted a 3 year grace period. The loan will be due on December 31, 2021 which was quarterly principal repayment at Bt27.5 million at the rate of BIBOR 3-month plus percent of fixed rate per annum

BAFS INTECH

- Long term loan was of Bt65.6 million. The loan will be due on July, 2028 which was three month principal repayment at Bt2.2 million at the rate of MLR minus percent of fixed rate per annum

2.2.4 Long-term debt of FPT under rehabilitation plan was of Bt3.8 million.

2.2.5 The Employee benefit obligations was of Bt1,134.9 million according to Labor Protection Laws as TAS no.19 on employee benefits.

2.3 Shareholders' Equity

As at December 31, 2019, total shareholders' equity was of Bt7,863.8 million, increased from December 31, 2018 by Bt10.8 million or 0.1% which Bt6,517.6 million was Equity attributable to owners of the Company, increased by Bt40.7 million or 0.6%.

Please be informed accordingly.
ours sincerely,

(Mr. Prakobkiat Ninnad)
President

Report on the Board of Directors' Responsibilities towards the Annual Financial Statements 2019

The Board of Directors is accountable for Bangkok Aviation Fuel Services Public Company Limited (BAFS) and subsidiaries' consolidated financial statements and separate financial statements including financial information disclosed in the Annual Report. The financial statements ended December 31, 2019 were prepared in accordance with International Financial Reporting Standards by regularly implementing and conforming to appropriate accounting policies while exercising discretion, preparing reasonable forecasts and disclosing significant information in Notes to financial statements in an adequate and transparent manner for the benefits of shareholders and stakeholders.

The Board of Directors also adhered to good corporate governance and maintained adequate and effective risk management and internal control systems to ensure accuracy and completeness of significant information based on facts in a timely and adequate manner to retain assets and prevent significant fraud or wrongdoing.

In this regard, the Board of Directors appointed the Audit Committee consisting of independent directors who were experts and fully qualified as required by BAFS and the Securities and Exchange Commission (SEC) to review and ensure accuracy and adequacy of BAFS's financial reporting information as well as appropriateness and effectiveness of BAFS's internal control system, internal audit and risk management. Moreover, the Audit Committee oversaw BAFS's compliance with law on securities and exchange, SET regulations, other relevant laws, obligations and BAFS's anti-corruption measures. The Audit Committee also ensured that BAFS's assets were maintained appropriately and connected transactions or transactions that might cause conflict of interest were proceeded in accordance with laws and SET regulations. Additionally, the Audit Committee selected and proposed the appointment of BAFS's auditor, determined the audit fee as well as proposed the termination of interim auditor. The Audit Committee's opinions appeared in the Report of the Audit Committee which was disclosed in the Annual Report.

The Board of Directors agreed with the Audit Committee's opinion that the consolidated financial statements of BAFS and subsidiaries and the separate financial statements ended December 31, 2019, and operating results and cash flow in the same accounting period were prepared, in all material respects, in accordance with International Financial Reporting Standards.

(Mr. Palakorn Suwanrath)
Chairman of the Board of Directors

(Mr. Prakobkiat Ninnad)
President

Independent Auditor's Report

To the Shareholders of Bangkok Aviation Fuel Services Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Aviation Fuel Services Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries and of Bangkok Aviation Fuel Services Public Company Limited as at 31 December 2019, 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.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond is described below.

Revenue recognition

Service income is a significant account of the Company and its subsidiaries because the amount recorded in the account directly affects the annual profit and loss of the Company and its subsidiaries. Therefore, I have focused on the amount and timing of revenue recognition of the Company and its subsidiaries.

I have examined the revenue recognition of the Company and its subsidiaries by assessing and testing the Company and its subsidiaries' internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and randomly selecting representative samples to test the operation of the designed controls, and with special consideration given to expanding the scope of the testing of the internal controls which respond to the risks related to an amount and timing of revenue recognition, applying a sampling method to select service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company and its subsidiaries' policy. In addition, on a sampling basis, I have examined supporting documents for actual service transactions occurring during the year and near the end of the accounting period, reviewed credit notes that the Company and its subsidiaries issued after the period-end and performed analytical procedures on disaggregated data to detect possible irregularities in service transactions throughout the period, particularly for 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 those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Vissuta Jariyathanakorn
Certified Public Accountant (Thailand) No. 3853

EY Office Limited
Bangkok: 26 February 2020

Statements of financial position

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	1,426,488,303	1,504,441,711	982,412,848	726,652,827
Current investments	8	611,994,715	674,548,513	212,626,422	211,175,110
Trade and other receivables	9	388,261,069	380,073,744	313,474,106	311,263,274
Inventories		50,276,856	39,641,008	17,337,988	15,311,500
Current portion of long-term loan to and receivable from related party	6	-	-	71,579,927	71,579,927
Other current financial assets		50,771,900	86,624,535	15,257,508	10,050,139
Other current assets		65,258,920	51,600,061	36,733,967	29,025,853
Total current assets		2,593,051,763	2,736,929,572	1,649,422,766	1,375,058,630
Non-current assets					
Restricted bank deposits and government bond	19	70,489,931	70,411,485	-	-
Long-term investment		1,998,605	1,996,215	-	-
Investments in subsidiaries	10	-	-	4,449,602,189	4,449,602,189
Investment in associate	11	38,947,204	9,982,485	40,000,000	10,000,000
Long-term loan to and receivable from related party, net of current portion	6	-	-	77,537,112	149,117,039
Investment properties	12	47,953,340	47,953,340	47,953,340	47,953,340
Property, leasehold improvement and equipment	13	12,696,980,989	11,353,853,895	2,263,460,748	2,245,407,975
Project costs under concession agreements	14	1,481,456,329	1,578,615,666	100,464,895	115,117,313
Right to use assets under lease agreements	15	27,711,440	31,391,223	-	-
Intangible assets	16	32,837,610	37,077,651	28,384,386	34,132,560
Deferred tax assets	25	234,019,761	196,601,359	192,119,062	167,915,257
Advance payment for construction		112,219,327	215,569,662	28,800,000	15,672,981
Other non-current assets		8,166,459	9,985,088	6,656,517	8,459,564
Total non-current assets		14,752,780,995	13,553,438,069	7,234,978,249	7,243,378,218
Total assets		17,345,832,758	16,290,367,641	8,884,401,015	8,618,436,848

The accompanying notes are an integral part of the financial statements.

Statements of financial position (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	*17*	295,851,920	406,205,433	217,581,649	210,472,786
Current portion of liabilities under finance lease agreement	*18*	10,473,485	10,113,937	14,984,362	26,188,498
Current portion of long-term loans	*19*	526,271,000	326,176,000	321,440,000	185,720,000
Current portion of long-term liabilities under rehabilitation plan	*20*	3,725,774	3,921,723	-	-
Current portion of provision for land leased related to concession agreement	*21*	4,344,165	4,117,926	4,344,165	4,117,926
Corporate income tax payable		78,879,042	81,154,596	38,224,186	38,606,932
Other current liabilities		102,351,470	88,181,715	62,045,705	51,011,617
Total current liabilities		1,021,896,856	919,871,330	658,620,067	516,117,759
Non-current liabilities					
Liabilities under finance lease agreement, net of current portion	*18*	15,097,245	15,641,488	30,996,731	37,790,559
Long-term loans, net of current portion	*19*	7,180,430,000	6,292,312,838	1,767,840,000	2,089,280,000
Long-term liabilities under rehabilitation plan, net of current portion	*20*	3,814,779	7,540,596	-	-
Provision for land leased related to concession agreement, net of current portion	*21*	33,010,823	37,354,988	33,010,823	37,354,988
Provision for long-term employee benefits	*22*	1,134,890,541	982,952,323	952,459,288	829,979,311
Other non-current liabilities		92,876,785	181,722,805	7,752,819	3,444,127
Total non-current liabilities		8,460,120,173	7,517,525,038	2,792,059,661	2,997,848,985
Total liabilities		9,482,017,029	8,437,396,368	3,450,679,728	3,513,966,744

The accompanying notes are an integral part of the financial statements.

Statements of financial position (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital					
Registered					
637,496,657 ordinary shares of Baht 1 each		637,496,657	637,496,657	637,496,657	637,496,657
Issued and fully paid up					
637,496,153 ordinary shares of Baht 1 each		637,496,153	637,496,153	637,496,153	637,496,153
Share premium		434,975,000	434,975,000	434,975,000	434,975,000
Capital surplus resulting from change in interest in subsidiary without loss of control		410,076,849	410,076,849	-	-
Retained earnings					
Appropriated - statutory reserve	*23*	63,749,666	63,749,666	63,749,666	63,749,666
- other reserve		2,306,383,533	2,118,294,192	2,306,383,533	2,118,294,192
Unappropriated		2,664,901,198	2,812,339,892	1,991,116,935	1,849,955,093
Equity attributable to owners of the Company		6,517,582,399	6,476,931,752	5,433,721,287	5,104,470,104
Non-controlling interests of the subsidiaries		1,346,233,330	1,376,039,521	-	-
Total shareholders' equity		7,863,815,729	7,852,971,273	5,433,721,287	5,104,470,104
Total liabilities and shareholders' equity		17,345,832,758	16,290,367,641	8,884,401,015	8,618,436,848

Statement of comprehensive income

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss					
Revenue					
Service income		3,872,442,768	3,754,335,589	2,481,886,759	2,375,071,559
Dividend income	10	-	-	546,498,799	267,501,674
Other income		83,731,427	52,266,522	128,174,602	117,775,156
Total revenues		3,956,174,195	3,806,602,111	3,156,560,160	2,760,348,389
Expenses					
Cost of services		1,829,243,404	1,658,935,776	1,155,665,511	1,113,821,631
Administrative expenses		701,394,739	611,776,762	471,796,539	406,283,928
Total expenses		2,530,638,143	2,270,712,538	1,627,462,050	1,520,105,559
Profit before share of loss from investment in associate, finance cost and income tax expenses		1,425,536,052	1,535,889,573	1,529,098,110	1,240,242,830
Share of loss from investment in associate		(1,035,281)	(17,516)	-	-
Profit before finance cost and income tax expenses		1,424,500,771	1,535,872,057	1,529,098,110	1,240,242,830
Finance cost		(196,320,304)	(139,410,825)	(117,470,207)	(131,098,179)
Profit before income tax expenses		1,228,180,467	1,396,461,232	1,411,627,903	1,109,144,651
Income tax expenses	25	(260,804,690)	(286,257,525)	(174,982,125)	(168,697,946)
Profit for the year		967,375,777	1,110,203,707	1,236,645,778	940,446,705
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent period					
Actuarial losses	22	(27,971,790)	-	(42,551,406)	-
Income tax effect	25	5,516,439	-	8,510,281	-
Other comprehensive income for the year		(22,455,351)	-	(34,041,125)	-
Total comprehensive income for the year		944,920,426	1,110,203,707	1,202,604,653	940,446,705

The accompanying notes are an integral part of the financial statements.

Statement of comprehensive income (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit attributable to:				
Equity holders of the Company	939,921,792	1,050,586,710	1,236,645,778	940,446,705
Non-controlling interests of the subsidiaries	27,453,985	59,616,997		
	967,375,777	1,110,203,707		
Total comprehensive income attributable to:				
Equity holders of the Company	914,004,117	1,050,586,710	1,202,604,653	940,446,705
Non-controlling interests of the subsidiaries	30,916,309	59,616,997		
	944,920,426	1,110,203,707		
Basic earnings per share				
Profit attributable to equity holders of the Company	1.47	1.65	1.94	1.48

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements								
	Equity attributable to owners of the Company								
	Issued and fully paid-up share capital	Share premium	Capital surplus resulting from change in interest in subsidiary without loss of control	Retained earnings: Appropriated - Legal reserve	Retained earnings: Appropriated - Other reserve	Retained earnings: Unappropriated	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
Balance as at 1 January 2018	637,496,153	434,975,000	410,076,849	63,749,666	1,947,282,737	2,735,995,047	6,229,575,452	1,340,145,259	7,569,720,711
Profit for the year	-	-	-	-	-	1,050,586,710	1,050,586,710	59,616,997	1,110,203,707
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	1,050,586,710	1,050,586,710	59,616,997	1,110,203,707
Increase in investment in subsidiary during the year	-	-	-	-	-	-	-	6,000,000	6,000,000
Dividend paid from subsidiary	-	-	-	-	-	-	-	(29,722,735)	(29,722,735)
Dividend paid (Note 30)	-	-	-	-	-	(803,230,410)	(803,230,410)	-	(803,230,410)
Other reserve	-	-	-	-	171,011,455	(171,011,455)	-	-	-
Balance as at 31 December 2018	637,496,153	434,975,000	410,076,849	63,749,666	2,118,294,192	2,812,339,892	6,476,931,752	1,376,039,521	7,852,971,273
Balance as at 1 January 2019	637,496,153	434,975,000	410,076,849	63,749,666	2,118,294,192	2,812,339,892	6,476,931,752	1,376,039,521	7,852,971,273
Profit for the year	-	-	-	-	-	939,921,792	939,921,792	27,453,985	967,375,777
Other comprehensive income for the year	-	-	-	-	-	(25,917,675)	(25,917,675)	3,462,324	(22,455,351)
Total comprehensive income for the year	-	-	-	-	-	914,004,117	914,004,117	30,916,309	944,920,426
Dividend paid from subsidiary	-	-	-	-	-	-	-	(60,722,500)	(60,722,500)
Dividend paid (Note 30)	-	-	-	-	-	(873,353,470)	(873,353,470)	-	(873,353,470)
Other reserve	-	-	-	-	188,089,341	(188,089,341)	-	-	-
Balance as at 31 December 2019	637,496,153	434,975,000	410,076,849	63,749,666	2,306,383,533	2,664,901,198	6,517,582,399	1,346,233,330	7,863,815,729

The accompanying notes are an integral part of the financial statements.

Statement of changes in shareholders' equity (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements					
	Issued and fully paid-up share capital	Share premium	Retained earnings: Appropriated: Legal reserve	Retained earnings: Appropriated: Other reserve	Retained earnings: Unappropriated	Total
Balance as at 1 January 2018	637,496,153	434,975,000	63,749,666	1,947,282,737	1,883,750,253	4,967,253,809
Profit for the year	-	-	-	-	940,446,705	940,446,705
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	940,446,705	940,446,705
Dividend paid (Note 30)	-	-	-	-	(803,230,410)	(803,230,410)
Other reserve	-	-	-	171,011,455	(171,011,455)	-
Balance as at 31 December 2018	637,496,153	434,975,000	63,749,666	2,118,294,192	1,849,955,093	5,104,470,104
Balance as at 1 January 2019	637,496,153	434,975,000	63,749,666	2,118,294,192	1,849,955,093	5,104,470,104
Profit for the year	-	-	-	-	1,236,645,778	1,236,645,778
Other comprehensive income for the year	-	-	-	-	(34,041,125)	(34,041,125)
Total comprehensive income for the year	-	-	-	-	1,202,604,653	1,202,604,653
Dividend paid (Note 30)	-	-	-	-	(873,353,470)	(873,353,470)
Other reserve	-	-	-	188,089,341	(188,089,341)	-
Balance as at 31 December 2019	637,496,153	434,975,000	63,749,666	2,306,383,533	1,991,116,935	5,433,721,287

The accompanying notes are an integral part of the financial statements.

Cash flow statement

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	1,228,180,467	1,396,461,232	1,411,627,903	1,109,144,651
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	644,673,744	560,553,810	284,927,228	294,994,515
Loss (gain) on disposal of equipment and intangible asset	(5,701,970)	(566,107)	(5,390,396)	136,953
Unrealised loss on exchange	237,327	154,797	310,042	165,027
Unrealised gain on change in value of current investments	(95,620)	-	-	-
Amortisation in premium of forward contract	(36,953)	10,490	(36,953)	10,490
Share of loss from investment in associate	1,035,281	17,516	-	-
Dividend income	-	-	(546,498,799)	(267,501,674)
Long-term employee benefits expenses	147,760,084	60,222,933	103,872,455	47,451,234
Interest income	(37,938,837)	(23,235,030)	(22,175,555)	(23,503,347)
Interest expenses	196,320,304	139,410,825	117,470,207	131,098,179
Income from operating activities before				
changes in operating assets and liabilities	2,174,433,827	2,133,030,466	1,344,106,132	1,291,996,028
Operating assets (increase) decrease				
Trade and other receivables	(8,588,633)	(27,416,492)	(2,612,140)	(19,865,227)
Inventories	(10,635,848)	(5,960,180)	(2,026,488)	1,385,190
Other current assets	33,126,493	(32,244,395)	(11,871,168)	265,546
Other non-current assets	1,818,629	(1,481,983)	1,803,047	(1,587,412)
Operating liabilities increase (decrease)				
Trade and other payables	(267,997,313)	13,957,675	(54,108,476)	2,333,185
Other current liabilities	14,297,974	20,814,588	11,162,307	5,165,405
Provision for long-term employee benefits	(48,369,435)	(39,950,007)	(43,863,519)	(32,037,112)
Other non-current liabilities	(95,114,784)	56,949,967	(1,960,072)	(8,358,726)
Cash flows from operating activities	1,792,970,910	2,117,699,639	1,240,629,623	1,239,296,877
Cash paid for corporate income tax	(304,870,576)	(279,207,534)	(191,058,395)	(162,482,224)
Net cash flows from operating activities	1,488,100,334	1,838,492,105	1,049,571,228	1,076,814,653

The accompanying notes are an integral part of the financial statements.

Cash flow statement (continued)

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase (decrease) in current investment	62,649,418	(63,634,684)	(1,451,312)	(1,785,001)
Increase in long-term investment	(2,390)	(2,389)	-	-
Decrease in long-term loan to and receivable from related party	-	-	71,579,927	71,579,927
Increase in restricted bank deposits and government bond	(78,446)	(160,403)	-	-
Interest received	36,894,488	22,638,666	21,131,240	22,907,303
Dividend income from subsidiaries	-	-	546,498,799	267,501,674
Increase in investment in subsidiaries	-	-	-	(56,500,000)
Increase in investment in associate	(30,000,000)	(10,000,000)	(30,000,000)	(10,000,000)
Increase in advance payment for construction	(83,510,301)	(57,992,478)	(75,510,301)	(7,809,411)
Acquisitions of property, leasehold improvement and equipment	(1,391,406,698)	(4,099,538,968)	(158,911,865)	(115,629,906)
Acquisitions of intangible assets	(6,336,111)	(9,405,300)	(3,390,549)	(8,033,843)
Proceed from disposal of equipment	5,997,156	879,327	5,605,140	5,607
Net cash flows from (used in) investing activities	(1,405,792,884)	(4,217,216,229)	375,551,079	162,236,350
Cash flows from financing activities				
Repayment of liabilities under finance lease agreements	(10,555,511)	(10,314,140)	(18,494,545)	(32,796,424)
Cash receipt from long-term loans	1,414,388,162	3,971,722,852	-	-
Repayment of long-term loans	(326,176,000)	(496,644,334)	(185,720,000)	(356,244,334)
Repayment of long-term liabilities under rehabilitation plan	(3,921,766)	(4,117,671)	-	-
Dividend paid	(873,353,470)	(803,230,410)	(873,353,470)	(803,230,410)
Cash receipt from increase in share capital of the subsidiaries	-	6,000,000	-	-
Dividend paid to non-controlling interests of subsidiaries	(60,722,500)	(29,722,735)	-	-
Interest paid	(299,965,104)	(204,225,563)	(91,794,271)	(102,757,137)
Net cash flows from (used in) financing activities	(160,306,189)	2,429,467,999	(1,169,362,286)	(1,295,028,305)
Unrealised gain on exchange for cash and cash equivalents	45,331	10,230	-	-
Net increase (decrease) in cash and cash equivalents	(77,953,408)	50,754,105	255,760,021	(55,977,302)
Cash and cash equivalents at beginning of year	1,504,441,711	1,453,687,606	726,652,827	782,630,129
Cash and cash equivalents at end of year	1,426,488,303	1,504,441,711	982,412,848	726,652,827
	-	-	-	-
Supplemental cash flow information:				
Non-cash transactions				
Increase in vehicles under finance lease agreements	10,949,347	18,234,369	8,960,629	10,687,640
Write-off vehicles with liabilities under finance lease agreements	1,703,658	3,496,270	11,503,658	37,796,270
Transfer advance payment for construction to property, leasehold improvement and equipment	186,860,636	431,724,963	62,383,382	-
Increase in construction and equipment payables	156,096,157	272,953,052	60,598,735	53,702,905
Increase in intangible assets payables	205,761	16,585	52,751	16,585

The accompanying notes are an integral part of the financial statements.

Notes to consolidated financial statements

Bangkok Aviation Fuel Services Public Company Limited and its subsidiaries For the year ended 31 December 2019

1. General information

Bangkok Aviation Fuel Services Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the aviation fuel service. The registered office of the Company is at 171/2 Kamphang Phet 6 Road., Don Mueang, Khet Don Mueang, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Bangkok Aviation Fuel Services Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019	2018
			Percent	Percent
Intoplane Services Co., Ltd.	Intoplane service	Thailand	83.33	83.33
Thai Aviation Refuelling Co., Ltd.	Hydrant network services	Thailand	90.00	90.00
Fuel Pipeline Transportation Ltd.	Fuel pipeline transportation services	Thailand	75.00	75.00
BAFS Innovation Development Co., Ltd.	Study, design, research and development, production and product distribution.	Thailand	100.00	100.00
BAFS Intech Co., Ltd.	Assembly and maintenance of hydrant dispensers	Thailand	90.00	90.00

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 are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) Material balances and transactions between the Company and its subsidiary companies 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 shareholder equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.

3 New financial reporting standards

(a) Financial reporting standards that became effective in the current period

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company and its subsidiaries plan to adopt this accounting standard using the modified retrospective method of adoption of which the comparative information was not restated.

The management of the Company and its subsidiaries expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase assets of the Company and its subsidiaries by approximately Baht 2,000 million (the Company only: approximately Baht 600 million) and liabilities of the Company and its subsidiaries by the same amount.

4. Significant accounting policies

4.1 Revenue recognition

Rendering of services

Service revenue is recognised when services have been rendered and represents the invoice value, excluding value added tax.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividend income

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Inventories

Spare parts are valued at the lower of cost (first-in, first-out method) and net realisable value and are charged to costs of service whenever consumed.

4.5 Investments

a) Investments in associate is accounted for in the consolidated financial statements using the equity method.
b) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.
c) Investment in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

The weighted average method is used for computation of the cost of investments.

4.6 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less allowance for loss on impairment (if any).

No depreciation is provided for land classified as investment property.

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

4.7 Property, leasehold improvement and equipment/Depreciation

Land is stated at cost. Leasehold improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of leasehold improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold improvement	-	5-20 years
Furniture, fixtures and office equipment	-	3-15 years
Main depot facilities	-	lease period, 5-40 years
Hydrant equipment	-	5-20 years
Intoplane substation	-	5-20 years
Vehicle fleet and motor vehicle	-	3-20 years
Motor vehicles and equipment under finance lease agreements	-	lease period

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress and equipment under installation.

An item of property, leasehold improvement 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.

4.8 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.

4.9 Project costs under concession agreements and amortisation method

The project costs under concession agreements are stated at cost less accumulated amortisation and allowance for loss on impairment of project costs (if any).

Amortisation of project costs is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Hydrant equipment	- Concession period (30 years)
Equipment, building and intoplane substation	- Concession period (20 years)
Concession of a subsidiary	- Concession period (30 years)
Right to use lease land related to concession agreement	- Rental agreement period (20 years)

Amortisation is included in profit or loss.

4.10 Right to use assets under lease agreements

Right to use assets under lease agreements are carried at cost less accumulated amortisation and any accumulated impairment losses (if any).

Right to use assets under lease agreements with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the right to use assets may be impaired. The amortisation period and the amortisation method of such right to use assets under lease agreements are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the right to use assets under lease agreements with finite useful lives is as follows:

	Useful lives
Right to use leased land of subsidiary	17 years and 10 months
Subsidiary's right to use building under land lease agreement	20 years

4.11 Intangible assets

Intangible assets, which are computer software, are stated at cost less accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss on a straight-line basis over the economic useful lives of 3 to 10 years.

4.12 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiaries' operations.

4.13 Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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.

4.15 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, leasehold improvement and equipment, project costs under concession agreements, right to use assets under lease agreements and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.16 Provision for land lease related to concession agreement

The Company records provision for land lease related to concession agreement based on the present value of future rental payment obligations for land used in the provision of service under the concession agreement.

4.17 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 Company and its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans 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 and from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the date, the employee benefit plan is amended.

4.18 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.19 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.20 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

4.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Equipment/Depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of equipment and to review estimate useful lives and residual values when there are any changes.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation. The management of the Company has used judgement to assess the outcome of the litigation and believe that no losses will be incurred. The Company has therefore not recorded provision as at the end of reporting period.

6. Related party transactions

During the year, the Company and its subsidiaries had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties. The Company and its subsidiaries have the following policy on pricing for its related transactions.

1. Service expenses paid to the subsidiary are based on the actual service provided and expenses incurred.
2. Rental charge for an office building from subsidiaries is based on the every year increase and every-3-year increase in the average rate of CPI by the minimum rate of 5 percent but is not exceeding 7 percent from the latest rental charge.
3. Rental charge for receiving pipeline system from subsidiaries is based on the contract price between the parties.
4. Interest on loan is charged at the rate of MLR-1.25 percent per annum.
5. Service income is based on the contract price between the parties.

6. Rental charge for receiving pipeline system from subsidiaries is charged at the rate of 21.50 percent of the annual income received (before discounts and relevant tax) from the transportation of the fuel, JET A-1, via the pipeline system.
7. Rental charges for land is based on rental expense paid to Treasury Department and plus 5 percent of annual rental.
8. Rental charge for land and building including utilities at Suvarnabhumi and Don Mueang aviation fuel storage station to a related company is based on a fixed rate and every 3 years increase 7-10 percent of the latest rental and service charge throughout the 3 years lease agreement. Rental charge for other land at the rate stipulated in the agreement.
9. The Company has to pay a concession fee for Into-plane service at Suvarnabhumi Airport at the rate stipulated in the agreement.
10. The subsidiary has to pay a concession fee for Hydrant network system at a rate stipulated in the agreement of the subsidiary's income before deducting expenses.
11. The Company and its subsidiaries have to pay the rental fee for land and space at a rate stipulated in the agreement.
12. The Company has to pay a concession fee for pipeline system at Don Mueang Airport. The rental charge is based on the every year increase in the rate of CPI.
13. Land rental and utility expenses paid to related company at an agreed price.
14. Purchase of hydrant dispensers and equipment from subsidiary, determined based on cost plus margin.
15. Dividend income is based on the resolution of the Annual General Meeting of shareholders of subsidiaries.
16. Sales income for assembly and maintenance of hydrant dispensers from related party is based on cost plus margin.
17. Maintenance cost for hydrant dispensers is based on cost plus margin.

Significant transactions between the Company and its subsidiaries and related parties are as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2019	2018	2019	2018	
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Office building and land rental income	-	-	18	15	(2) (7)
Pipeline receiving system rental income	-	-	27	33	(3) (6)
Dividend income	-	-	546	268	(15)
Interest income	-	-	9	13	(4)
Other income	-	-	31	30	(5)
Service expenses	-	-	12	11	(1)
Purchase of hydrant dispensers	-	-	131	34	(14)
Purchase of equipment for hydrant dispensers	-	-	2	-	(14)
Maintenance cost for hydrant dispensers	-	-	1	-	(17)
Transactions with related companies					
Service income	3,868	3,756	2,482	2,375	(5)
Land and certain structures rental and utilities income	12	12	12	12	(8)
Sales of hydrant dispensers	4	-	-	-	(16)
Maintenance cost	1	-	-	-	(16)
Other income	12	5	8	2	(5)
Land and utilities expenses	4	4	-	-	(13)
Airport concession fee expenses - Into-plane service	254	253	254	253	(9)
Airport concession fee expenses - Hydrant network system	13	13	-	-	(10)
Space and land rental expenses	30	30	26	26	(11)
Pipeline system rental expenses	32	31	32	31	(12)

The balances of the accounts as at 31 December 2019 and 2018 between the Company, its subsidiaries and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable - related parties (Note 9)				
Related companies (shareholder or common shareholder or representative director)	387,662	379,603	309,158	307,042
Other receivables - related parties (Note 9)				
Subsidiary companies	-	-	4,189	4,194
Related companies (shareholder or common shareholder or representative director)	527	402	127	27
Total other receivables - related parties	527	402	4,316	4,221
Other current - assets				
Related companies (shareholder or common shareholder or representative director)	1,385	-	-	-
Long-term loan to and receivable from related party				
Subsidiary company				
Fuel Pipeline Transportation Limited	-	-	149,117	220,697
Less: Current portion	-	-	(71,580)	(71,580)
Long-term loan to and receivable from related party - net of current portion	-	-	77,537	149,117
Trade accounts payable - related parties (Note 17)				
Related companies (shareholder or common shareholder or representative director)	51,085	50,726	36,491	34,994

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Other payables - related parties (Note 17)				
Subsidiary company	-	-	92,393	103,442
Related company (shareholder or common shareholder or representative director)	319	290	270	290
Total other payables - related parties	319	290	92,663	103,732
Liabilities under finance lease agreement - related party (Note 18)				
Subsidiary company Fuel Pipeline Transportation Limited				
Current portion of liabilities under finance lease agreement	-	-	6,569	17,661
Liabilities under finance lease agreement, net current portion	-	-	21,887	28,456
Long-term liabilities under rehabilitation plan (Note 20)				
Related company (shareholder)	7,541	11,462	-	-
Provision for land lease related to concession agreement (Note 21)				
Related company (shareholder)				
Provision for land lease related to concession agreement - current portion	4,344	4,118	4,344	4,118
Provision for land lease related to concession agreement - net current portion	33,011	37,355	33,011	37,355
Other non-current liabilities				
Related company (shareholder or representative director)	13,744	13,744	-	-

The movement of long-term loan to and receivable from related party during the year ended 31 December 2019 was as follows:

(Unit: Thousand Baht)

	Separate financial statements		
Long-term loan to and receivable from	Balance as at 1 January 2019	Decrease during the year	Balance as at 31 December 2019
Fuel Pipeline Transportation Limited			
Loans from debt restructuring	39,140	(12,694)	26,446
Loans from purchase of debts	181,557	(58,886)	122,671
Total	220,697	(71,580)	149,117
Less: current portion	(71,580)	-	(71,580)
Net of current portion	149,117	(71,580)	77,537

The loans are secured by mortgage of the multi-product pipeline system and main depot facilities of Fuel Pipeline Transportation Limited as collateral under the terms of rehabilitation plan.

Directors and management's remuneration

During the years ended 31 December 2019 and 2018, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	159,018	146,724	83,288	75,824
Post-employment benefits	16,299	16,038	9,743	9,664
Other long-term benefit	74	78	11	11
Total directors and managements remuneration	175,391	162,840	93,042	85,499

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	293	364	84	204
Deposit with banks and financial institutions	345,375	326,019	101,242	46,902
Government bonds and promissory note	1,080,820	1,178,059	881,087	679,547
Total cash and cash equivalents	1,426,488	1,504,442	982,413	726,653

As at 31 December 2019, bank deposits in saving accounts, fixed deposits, government bonds and promissory note carried interests between 0.10 and 1.20 percent per annum (2018: between 0.10 and 1.44 percent per annum).

8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Fixed deposit	211,626	210,175	211,626	210,175
Restricted bank deposits	69,199	93,837	-	-
Restricted government bond	319,932	359,884	-	-
Others	11,238	10,652	1,000	1,000
Total current investments	611,995	674,548	212,626	211,175

The subsidiary has pledged government bond and bank deposits totaling approximately Baht 389 million (2018: Baht 454 million) to a bank as collateral, in accordance with an agreement to pledge rights in bank deposits and government bond as business collateral under the terms of a loan agreement with the bank, as mentioned in Note 19 of consolidated financial statements.

As of 31 December 2019, the Company has fixed deposit of Baht 90 million (2018: Baht 90 million) with a bank to use for support of “The employee housing loan project” which the Company’s employees who participate in the project will have privileges on the interest rate at below the market rate. However, the Company is able to withdraw the deposit to use in its normal business operations, and then the interest rate of the employees’ loans will be adjusted to the market rate.

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables				
Related parties (Note 6)	387,662	379,603	309,158	307,042
Total trade receivables	387,662	379,603	309,158	307,042
Other receivables				
Related parties (Note 6)	527	402	4,316	4,221
Unrelated parties	72	69	-	-
Total other receivables	599	471	4,316	4,221
Total trade and other receivables	388,261	380,074	313,474	311,263

All trade receivable balances of the Company and its subsidiaries are within their credit terms.

10. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
			(percent)	(percent)				
Fuel Pipeline Transportation Ltd.	3,660,664	3,660,664	75.00	75.00	3,155,502	3,155,502	-	-
Intoplane Services Co., Ltd.	120	120	83.33	83.33	100	100	-	-
Thai Aviation Refuelling Co., Ltd.	530,000	530,000	90.00	90.00	1,235,000	1,235,000	546,499	267,502
BAFS Innovation Development Co., Ltd.	5,000	5,000	100.00	100.00	5,000	5,000	-	-
BAFS Intech Co.,Ltd.	60,000	60,000	90.00	90.00	54,000	54,000	-	-
Total investments in subsidiaries					4,449,602	4,449,602	546,499	267,502

11. Investment in associate

11.1 Separate financial statements - Investment in associate

During the year, BPTG Company Limited called up the second and the third tranches of the share capital, which was 25% and 50% of the total capital, or Baht 25 million and 50 million, respectively. The Company paid in share capital in proportion to the Company's interest, totaling Baht 30 million, in February and August 2019.

11.2 Consolidated financial statements - Investment in associate

(Unit: Thousand Baht)

	2019	2018
Cost	40,000	10,000
Share of loss for the year	(1,053)	(18)
Carrying amount based on equity method	38,947	9,982

12. Investment property

The investment property represents land held for rent that is located in Chiangmai Province and is presented at cost. The fair value of the land as at 31 December 2019 was Baht 53 million, and was determined based on the valuation performed by an independent valuer, using the income approach. Key assumptions used in the valuation included long-term growth in rental rate, growth rate of market value of land held for rent and discount rate.

13. Property, leasehold improvement and equipment

(Unit: Thousand Baht)

	Consolidated financial statements										
	Land and land improvement	Building and building improvement	Leasehold improvement	Furniture, fixtures and office equipment	Main depot facilities	Hydrant equipment	Intoplane substation	Vehicle fleet and motor vehicle	Motor vehicles and equipment under finance lease agreements	Construction in progress/ equipment under installation	Total
Cost:											
1 January 2018	263,043	-	15,554	291,895	7,760,719	38,833	261,764	1,125,508	77,285	3,551,570	13,386,171
Additions	59,729	61,085	-	11,108	3,321	-	-	451	18,234	4,358,658	4,512,586
Capitalised interest	-	-	-	-	-	-	-	-	-	90,456	90,456
Transfer in (out)	-	-	55	12,814	46,522	-	2,027	70,516	(15,868)	(116,066)	-
Disposals	-	-	-	(3,884)	(442)	-	-	(801)	(19,237)	-	(24,364)
31 December 2018	322,772	61,085	15,609	311,933	7,810,120	38,833	263,791	1,195,674	60,414	7,884,618	17,964,849
Additions	-	183	2,502	14,535	9,874	-	-	1,012	10,949	1,705,569	1,744,624
Capitalised interest	-	-	-	-	-	-	-	-	-	132,866	132,866
Transfer in (out)	-	-	255	9,960	5,632,086	8,000	11,903	44,903	-	(5,707,107)	-
Disposals	-	-	-	(5,829)	(2,386)	-	(89)	(18,731)	(6,538)	-	(33,573)
31 December 2019	322,772	61,268	18,366	330,599	13,449,694	46,833	275,605	1,222,858	64,825	4,015,946	19,808,766
Accumulated depreciation:											
1 January 2018	-	-	11,314	228,934	4,841,174	25,803	209,916	830,772	34,068	-	6,181,981
Transfer in (out)	-	-	-	-	5,670	-	-	-	(5,670)	-	-
Depreciation for the year	-	1,483	1,072	26,597	351,888	1,218	6,383	34,920	26,007	-	449,568
Depreciation on disposals	-	-	-	(3,684)	(442)	-	-	(688)	(15,740)	-	(20,554)
31 December 2018	-	1,483	12,386	251,847	5,198,290	27,021	216,299	865,004	38,665	-	6,610,995
Depreciation for the year	-	3,120	1,060	22,677	434,484	1,288	6,774	46,196	16,766	-	532,365
Depreciation on disposals	-	-	-	(5,605)	(2,386)	-	(50)	(18,700)	(4,834)	-	(31,575)
31 December 2019	-	4,603	13,446	268,919	5,630,388	28,309	223,023	892,500	50,597	-	7,111,785
Net book value:											
31 December 2018	322,772	59,602	3,223	60,086	2,611,830	11,812	47,492	330,670	21,749	7,884,618	11,353,854
31 December 2019	322,772	56,665	4,920	61,680	7,819,306	18,524	52,582	330,358	14,228	4,015,946	12,696,981
Depreciation for the year											
2018 (Baht 422 million included in cost of service and the balance in administrative expenses)											449,568
2019 (Baht 503 million included in cost of service and the balance in administrative expenses)											532,365

(Unit: Thousand Baht)

	Separate financial statements								
	Land and land improvement	Furniture, fixtures and office equipment	Main depot facilities	Hydrant equipment	Intoplane substation	Vehicle fleet and motor vehicle	Motor vehicles under finance lease agreements	Construction in progress/ equipment under installation	Total
Cost:									
1 January 2018	160,806	239,411	4,098,806	38,833	261,934	956,825	189,856	76,035	6,022,506
Additions	-	4,887	385	-	-	-	10,688	120,741	136,701
Transfer in (out)	-	12,814	9,608	-	2,027	103,972	-	(128,421)	-
Disposals	-	(2,713)	(316)	-	-	-	(99,991)	-	(103,020)
31 December 2018	160,806	254,399	4,108,483	38,833	263,961	1,060,797	100,553	68,355	6,056,187
Additions	-	4,560	64	-	-	-	8,960	276,581	290,165
Transfer in (out)	-	8,784	12,026	8,000	11,903	58,623	-	(99,336)	-
Disposals	-	(3,890)	(419)	-	(89)	(18,416)	(31,135)	-	(53,949)
31 December 2019	160,806	263,853	4,120,154	46,833	275,775	1,101,004	78,378	245,600	6,292,403
Accumulated depreciation:									
1 January 2018	-	190,134	2,346,421	25,803	209,935	756,380	75,373	-	3,604,046
Depreciation for the year	-	21,103	186,717	1,218	6,383	31,350	25,043	-	271,814
Depreciation on disposals	-	(2,571)	(316)	-	-	-	(62,194)	-	(65,081)
31 December 2018	-	208,666	2,532,822	27,021	216,318	787,730	38,222	-	3,810,779
Depreciation for the year	-	16,344	177,973	1,288	6,774	43,047	14,968	-	260,394
Depreciation on disposals	-	(3,740)	(418)	-	(50)	(18,391)	(19,632)	-	(42,231)
31 December 2019	-	221,270	2,710,377	28,309	223,042	812,386	33,558	-	4,028,942
Net book value:									
31 December 2018	160,806	45,733	1,575,661	11,812	47,643	273,067	62,331	68,355	2,245,408
31 December 2019	160,806	42,583	1,409,777	18,524	52,733	288,618	44,820	245,600	2,263,461
Depreciation for the year									
2018 (Baht 253 million included in cost of service and the balance in administrative expenses)									271,814
2019 (Baht 244 million included in cost of service and the balance in administrative expenses)									260,394

As at 31 December 2019, the subsidiaries had an outstanding balance of construction in progress of the main depot facilities, hydrant equipment and pipeline of approximately Baht 3,836 million (2018: Baht 7,849 million). Construction of the main depot facilities, hydrant equipment and pipeline has been financed with loans from financial institutions and borrowing costs totaling approximately Baht 133 million were capitalised during the year ended 31 December 2019 (2018: Baht 90 million). The weighted average rates of 2.97% to 3.89% have been used to determine the amount of borrowing costs eligible for capitalisation.

As at 31 December 2019, certain plant and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 2,011 million (2018: Baht 1,915 million) (Separate financial statements: Baht 1,907 million, (2018: Baht 1,820 million)).

As at 31 December 2019, the Company and its subsidiaries had vehicles and equipment under finance lease agreements with net book values amounting to Baht 14 million (2018: Baht 22 million) (Separate financial statements: Baht 45 million (2018: Baht 62 million)).

Under the lease agreement, the lessor will assume legal ownership of the equipment and buildings erected on the leased state-owned land upon termination of the agreement, which has a term of 3 years. However the Company has continually renewed the agreement and expects to be able to continue renewing it.

As at 31 December 2019, Fuel Pipeline Transportation Limited (subsidiary), has mortgaged the multi-product pipeline system and main depot facilities with net book value of Baht 211 million (2018: Baht 306 million) to secure long-term liabilities under the rehabilitation plan and mortgaged land and structures thereon, pipeline system and equipment thereon with net book values of Baht 8,919 million (2018: Baht 7,416 million) to secure long-term loans.

BAFS Intech Company Limited (subsidiary) has mortgaged land and structures thereon with net books values as at 31 December 2019 of Baht 95 million (2018: Baht 98 million) to secure long-term loan.

14. Project costs under concession agreements

(Unit: Thousand Baht)

	Consolidated financial statements					Separate financial statements		
	Equipment, building and intoplane substation	Hydrant equipment	Concession of a subsidiary	Right to use leased land related to concession agreement	Total	Equipment, building and intoplane substation	Right to use leased land related to concession agreement	Total
Cost								
As at 31 December 2018	227,548	1,707,201	768,006	69,889	2,772,644	227,548	69,889	297,437
As at 31 December 2019	227,548	1,707,201	768,006	69,889	2,772,644	227,548	69,889	297,437
Accumulated amortisation								
As at 1 January 2018	128,355	640,937	288,265	39,312	1,096,869	128,355	39,312	167,667
Amortisation for the year	11,158	56,907	25,600	3,495	97,160	11,158	3,495	14,653
As at 31 December 2018	139,513	697,844	313,865	42,807	1,194,029	139,513	42,807	182,320
Amortisation for the year	11,158	56,906	25,600	3,495	97,159	11,158	3,495	14,653
As at 31 December 2019	150,671	754,750	339,465	46,302	1,291,188	150,671	46,302	196,973
Net book value								
As at 31 December 2018	88,035	1,009,357	454,141	27,082	1,578,615	88,035	27,082	115,117
As at 31 December 2019	76,877	952,451	428,541	23,587	1,481,456	76,877	23,587	100,464

Under the Into-plane Service Agreement and the Permission for Performance Agreement of the fuel hydrant network at Suvarnabhumi Airport, made with Airports of Thailand Public Company Limited by the Company and a subsidiary, Thai Aviation Refuelling Company Limited, respectively, the Company is to transfer ownership of all equipment, buildings, related fixtures and construction to the Ministry of Finance immediately upon completion of construction, and the subsidiary is to transfer the Hydrant network to the Airports of Thailand Public Company Limited within 60 days before it begins operating the service. As of 31 December 2019, transfer of ownership under the two agreements is in progress.

The Company has invested in ordinary shares of Thai Aviation Refuelling Company Limited (subsidiary), and the difference between the amount invested and the shareholders' equity of the subsidiary at the acquisition date has been recorded as "Concession of a subsidiary" and presented as "Project costs under concession agreements" in the consolidated statement of financial position. It is amortised on a straight-line basis over a period of 30 years, which is the term of the concession of the subsidiary, from 28 September 2006 until the agreement expires.

The Company initially recorded the rights to use lease land related to concession agreement at cost, equal to the present value of future rental payment obligations for land used in the provision of service under the concession agreement.

15. Right to use assets under lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements		
	Right to use leased land of subsidiary	Subsidiary's right to use building under land lease agreement	Total
Cost			
As at 31 December 2018	43,848	24,366	68,214
As at 31 December 2019	43,848	24,366	68,214
Accumulated amortisation			
As at 1 January 2018	22,329	10,814	33,143
Amortisation for the year	2,462	1,218	3,680
As at 31 December 2018	24,791	12,032	36,823
Amortisation for the year	2,460	1,219	3,679
As at 31 December 2019	27,251	13,251	40,502
Net book value			
As at 31 December 2018	19,057	12,334	31,391
As at 31 December 2019	16,597	11,115	27,712

The Company has invested in a subsidiary, and the excess of the cost of the investment over the shareholders' equity of the subsidiary at the acquisition date has been recorded as "Rights to use leased land of subsidiary" and presented as an asset under the caption of "Right to use assets under leased agreements" in the consolidated statement of financial position. This is amortised by the straight-line method over 17 years and 10 months, which was the remaining term for which the subsidiary has approval from Airports of Thailand Public Company Limited to lease land outside the fence at Suvarnabhumi Airport for provision of aviation fuel transport services and a hydrant network from the refinery plant to the Company's fuel depot. Amortisation is from 8 December 2008 until the agreement expires.

Under a land rental agreement between the Airports of Thailand Public Company Limited and a subsidiary, Thai Aviation Refuelling Company Limited, the subsidiary is to transfer ownership of all buildings and construction on the leased land to the Ministry of Finance 3 years after the date of completion of the construction (30 September 2008). As of 31 December 2019, the subsidiary is in the process of transferring ownership in accordance with the agreement.

16. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Computer software - at cost	111,347	104,304	92,949	88,989
Less: Accumulated amortisation	(78,509)	(67,226)	(64,565)	(54,857)
Net book value	32,838	37,078	28,384	34,132

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Book value at beginning year	37,078	37,818	34,132	34,626
Acquisitions during the year	7,230	9,405	4,132	8,034
Amortisation for the year	(11,470)	(10,145)	(9,880)	(8,528)
Book value at end of year	32,838	37,078	28,384	34,132

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables - related parties (Note 6)	51,085	50,726	36,491	34,994
Trade payables - unrelated parties	18,913	18,801	6,202	4,919
Other payables - related parties (Note 6)	319	290	92,663	103,732
Other payables - unrelated parties	192,646	294,699	62,272	44,568
Accrued expenses	32,889	41,689	19,954	22,260
Total trade and other payables	295,852	406,205	217,582	210,473

18. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Liabilities under finance lease agreements	27,125	27,526
Less: Deferred interest expenses	(1,554)	(1,770)
Total	25,571	25,756
Less: Portion due within one year	(10,474)	(10,114)
Liabilities under finance lease agreements, net of current portion	15,097	15,642

(Unit: Thousand Baht)

	Separate financial statements	
	2019	2018
Related party (Note 6)		
Liabilities under finance lease agreement	30,518	50,554
Less: Deferred interest expenses	(2,062)	(4,437)
Total	28,456	46,117
Less: Portion due within one year	(6,569)	(17,661)
Liabilities under finance lease agreement, net of current portion	21,887	28,456
Unrelated parties		
Liabilities under finance lease agreement	18,275	18,635
Less : Deferred interest expenses	(750)	(773)
Total	17,525	17,862
Less : Portion due within one year	(8,415)	(8,527)
Liabilities under finance lease agreement, net of current portion	9,110	9,335
Total		
Current portion of liabilities under finance lease agreement	14,984	26,188
Liabilities under finance lease agreement, net of current portion	30,997	37,791

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2019		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	11,294	15,831	27,125
Deferred interest expenses	(820)	(734)	(1,554)
Present value of future minimum lease payments	10,474	15,097	25,571

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2018		
	Less than 1 year	1 – 5 years	Total
Future minimum lease payments	11,024	16,502	27,526
Deferred interest expenses	(910)	(860)	(1,770)
Present value of future minimum lease payments	10,114	15,642	25,756

(Unit: Thousand Baht)

	Separate financial statements		
	As at 31 December 2019		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	17,029	31,764	48,793
Deferred interest expenses	(2,045)	(767)	(2,812)
Present value of future minimum lease payments	14,984	30,997	45,981

(Unit: Thousand Baht)

	Separate financial statements		
	As at 31 December 2018		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	29,073	40,116	69,189
Deferred interest expenses	(2,885)	(2,325)	(5,210)
Present value of future minimum lease payments	26,188	37,791	63,979

19. Long-term loans

(Unit : Thousand Baht)

Loan	Credit line	Consolidated financial Statement		Separate financial Statement	
		2019	2018	2019	2018
The Company					
1	Baht 700 million	-	25,000	-	25,000
2	Baht 2,250 million	2,089,280	2,250,000	2,089,280	2,250,000
The Subsidiaries					
3	Baht 550 million	220,000	293,994	-	-
4	Baht 230 million	115,250	141,650	-	-
5	Part 1 – Baht 6,070 million	5,199,000	3,822,341	-	-
	Part 2 – Baht 230 million	-	-	-	-
6	Baht 17 million	13,171	15,504	-	-
7	Baht 70 million	70,000	70,000	-	-
Total long-term loans		7,706,701	6,618,489	2,089,280	2,275,000
Less: Current portion		(526,271)	(326,176)	(321,440)	(185,720)
Long-term loans – net of current portion		7,180,430	6,292,313	1,767,840	2,089,280

Movement of the long-term loan account during the year ended 31 December 2019 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	6,618,489	2,275,000
Add: Additional borrowings during year	1,414,388	-
Less: Repayment during year	(326,176)	(185,720)
Balance as at 31 December 2019	7,706,701	2,089,280

Loan no. 1: Principal is to be paid in 28 quarterly installments of Baht 25 million, within 30 September 2019. Interest is payable monthly at MLR minus a fixed percentage per annum.

Loan no. 2: Facility of Baht 2,250 million repayable in quarterly installments, starting from the 39th month after the date of the first drawdown. The Company first drew down from the credit facility on 12 May 2016 and interest is payable monthly, commencing from the month of the first drawdown, at fixed percentage per annum.

Loan no. 3: Principal is to be paid in quarterly installments of Baht 27.50 million, beginning in March 2017, and the loan matures on December 2021. Interest is payable monthly at 3-month BIBOR plus a fixed percentage per annum.

Loan no. 4: Principal is to be paid in 105 monthly installments of Baht 2.20 million, beginning in October 2015, and the loan matures on May 2024. Interest is payable monthly at MLR minus a fixed percentage per annum. The loan is secured by savings and fixed deposits of the subsidiary of approximately Baht 10 million which are presented under the caption “Restricted bank deposits and government bond” in the consolidated statement of financial position.

Loan no. 5: Facilities of Baht 6,070 million and Baht 230 million repayable in 41 quarterly installments and 20 quarterly installments, respectively, beginning on the last working day of the 42nd month and 36th month, respectively, after the date of the first drawdown of long-term loans or 31 December 2020 and 31 March 2022, whichever occurs first, and fully paid within December 2030 and 2026, respectively. Interest is payable monthly at MLR minus a fixed percentage per annum. The loan are secured by the mortgage of the subsidiary’s land with existing and future structures thereon, and government bond of the subsidiary amounting to Baht 60 million, which are presented under “Restricted bank deposits and government bond” in consolidated statements of financial position. In Addition, as mentioned in Note 8 to consolidated financial statements, the subsidiary has pledged government bond and bank deposits totaling approximately Baht 389 million to a bank as collateral, in accordance with a agreement to pledge rights in bank deposits and government bond as business collateral under the terms of this loan agreement with the bank.

Loan no.6: Facility of Baht 17 million repayable in 51 monthly installments of Baht 0.34 million, beginning in January 2019, and the loan matures in March 2023. Interest is payable monthly at fixed percentage per annum.

Loan no.7: Facility of Baht 70 million repayable in 32 quarterly installments of Baht 2.1875 million, starting from the 24th month after the date of the first drawdown. The subsidiary first drew down from the credit facility on 4 July 2018, and the loan matures on 2 July 2028. Interest is payable monthly, commencing from the month of the first drawdown, at MLR minus a fixed percentage per annum. The loan is secured by the mortgage of the subsidiary’s land and existing and future structures thereon.

The long-term loan agreement contains several covenants which, among other things, require the Company and its subsidiaries to maintain certain debt-to-equity and debt service coverage ratios prescribed in the agreement.

As at 31 December 2019, the long-term credit facilities of the subsidiaries which have not yet been drawn down amounted to Baht 1,104 million (2018: Baht 2,518 million).

20. Long-term liabilities under rehabilitation plan

Movements in the long-term liabilities under rehabilitation plan account of Fuel Pipeline Transportation Limited (the subsidiary) during the year ended 31 December 2019 and 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Balance at beginning of year	11,462	15,580
Less: Repayment of long-term liabilities during the year	(3,921)	(4,118)
Balance at end of year	7,541	11,462
Less: Current portion	(3,726)	(3,922)
Long-term liabilities under rehabilitation plan - net of current portion	3,815	7,540

The subsidiary is required to settle outstanding long-term principal and interest liabilities under the rehabilitation plan in monthly installments, within a period of 10 years after the date on which the court approved the rehabilitation plan, with the first installment due on 31 October 2012. However, if the subsidiary has excess cash, it must use it to make early repayment of its outstanding debt to its creditors.

Payments of interest on long-term liabilities under the rehabilitation plan is to be made monthly, with the first payment due in the month following the month the Central Bankruptcy Court approved the plan.

The interest rates charged on long-term liabilities under the rehabilitation plan are as summarised below.

Period	Annual interest rate
The date after the court approved the plan until 31 October 2013	MLR – 1.75%
1 November 2013 until 31 October 2016	MLR – 1.50%
1 November 2016 onwards	MLR – 1.25%

Long-term liabilities under the rehabilitation plan are secured by the mortgage of the subsidiary's multi-product pipeline system and main depot facilities. Moreover, the rehabilitation plan stipulates certain conditions which the subsidiary is required to comply.

21. Provision for land lease related to concession agreement

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the year ended 31 December	
	2019	2018
Provision for land lease related to concession agreement as at the beginning of year	41,473	45,122
Payment during year	(6,269)	(6,007)
Interest cost	2,151	2,358
Provision for land lease related to concession agreement at the end of year	37,355	41,473
Less: Current portion	(4,344)	(4,118)
Provision for land lease related to concession agreement, net of current portion	33,011	37,355

22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensations payable to employees after they retire from the Company and its subsidiaries and other long-term employee benefits, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits at the beginning of year	982,952	939,313	829,979	795,550
Included in profit or loss:				
Current service cost	62,523	60,223	48,205	47,451
Interest cost	24,576	23,366	19,919	19,015
Past service costs	83,630	-	54,841	-
Actuarial loss from other long-term employee benefits	1,607	-	827	-
Total	172,336	83,589	123,792	66,466
Included in other comprehensive income:				
Actuarial loss (gain) from post-employment benefits arising from				
Demographic assumptions changes	(2,323)	-	(1,875)	-
Financial assumptions changes	36,365	-	47,482	-
Experience adjustments	(6,070)	-	(3,056)	-
Total	27,972	-	42,551	-
Benefits paid	(48,369)	(39,950)	(43,863)	(32,037)
Provision for long-term employee benefits at end of year	1,134,891	982,952	952,459	829,979

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional long-term employee benefit liabilities of Baht 84 million (The Company only: Baht 55 million) as a result. The Company and its subsidiaries reflected the effect of the change by recognising past service costs as expenses in the income statement of the current year.

The Company and its subsidiaries expect to pay Baht 46 million of long-term employee benefits during the next year (Separate financial statements: Baht 39 million) (2018: Baht 44 million, separate financial statements: Baht 42 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 6.94 – 28.12 years (Separate financial statements: 6.94 – 19.16 years) (2018: 7.68 – 22.20 years, separate financial statements: 7.68 – 11.84 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.51 – 1.72	2.21 – 3.15	1.51	2.21 – 2.51
Future salary increase rate	5 – 7.25	7 – 8	7 – 7.25	7.25
Staff turnover rate	0 – 15	0 – 11	0 – 5	0 – 5

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Million Baht)

As at 31 December 2019

	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(85)	97	(67)	76
Future salary increase rate	128	(116)	104	(95)
Staff turnover rate	(58)	21	(43)	16

(Unit: Million Baht)

As at 31 December 2018

	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(83)	94	(64)	73
Future salary increase rate	141	(127)	116	(105)
Staff turnover rate	(55)	20	(40)	15

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

24. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Salaries and wages and other employee benefits	956,387	829,755	675,001	590,134
Depreciation and amortisation	615,652	559,330	284,927	294,995
Airport concession fees	267,420	266,347	254,256	253,183
Rental expenses from operating lease agreements	125,429	118,113	57,672	56,685
Consulting service expenses	33,612	15,663	26,369	8,256

25. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge	292,839	294,769	190,808	175,253
Adjustment in respect of income tax of previous year	(132)	654	(132)	82
Deferred tax:				
Relating to origination and reversal of temporary differences	(31,902)	(9,165)	(15,694)	(6,637)
Income tax expense reported in profit and loss	260,805	286,258	174,982	168,698

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax relating to actuarial losses	5,516	-	8,510	-
	5,516	-	8,510	-

The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit before tax	1,228,180	1,396,461	1,411,628	1,109,145
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	245,636	279,292	282,326	221,829
Adjustment in respect of income tax of previous year	(132)	654	(132)	82
Effect of preparing the consolidated financial statements	15,619	4,887	-	-
Unrecognised deferred tax on unused tax loss	64	1,606	-	-
Utilised unrecognised deferred tax on unused tax loss from prior year	(1,574)	-	-	-
Effects of:				
Dividends received are excluded from taxable profit	-	-	(109,300)	(53,500)
Non-deductible expenses	4,986	7,952	3,879	1,743
Additional expense deductions allowed	(3,086)	(8,010)	(1,791)	(1,456)
Others	(708)	(123)	-	-
Total	1,192	(181)	(107,212)	(53,213)
Income tax expenses reported in profit and loss	260,805	286,258	174,982	168,698

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	As at 31 December 2019	As at 31 December 2018	As at 31 December 2019	As at 31 December 2018
Deferred tax assets				
Provision for long-term employee benefits	226,712	196,442	190,492	165,995
Difference between right to use leased land and provision for land lease related to concession agreements	2,753	2,878	2,753	2,878
Others	6,948	217	-	-
Total	236,413	199,537	193,245	168,873
Deferred tax liabilities				
Deferred interest received	(954)	(839)	(954)	(839)
Surplus on revaluation of assets from acquisition of subsidiary	(1,267)	(1,978)	-	-
Others	(172)	(119)	(172)	(119)
Total	(2,393)	(2,936)	(1,126)	(958)
Net	234,020	196,601	192,119	167,915

26. Promotional privileges

The subsidiary was granted promotional privileges by the Board of Investment under the Thai Investment Promotion Act B.E. 2520, for the manufacture of intoplane equipment, under certificate No. 62-1009-1-00-1-0, dated 13 September 2019. Subject to certain imposed conditions, the significant privileges are as follows:

1. Permission to bring expatriates with technical expertise into the Kingdom of Thailand for a period of time deemed appropriate by the Board of Investment, together with their spouses and dependents.
2. Permission to allow the expatriates with technical expertise to enter Thailand to work, specifically in the positions permitted by the Board of Investment throughout the length of their permitted stay in Kingdom of Thailand.
3. Exemption from import duties on machinery as approved by the Board of Investment.
4. Exemption from Corporate income tax on net income derived from the promoted business for a total not more then 100 percent of the investment, excluding land and working capital for 5 years.
5. Exemption from import duties on raw material and materials imported for use in production for export for 1 year.

27. Basic earnings per share

Basic earnings per share for the year 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.

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries are principally engaged in the fuel pipeline transportation services and aviation refueling service at the airport. Their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

For the year ended 31 December 2019, the Company and its subsidiaries had revenue from six major customers totaling approximately Baht 3,620 million (2018: Baht 3,561 million).

29. Provident fund

The Company, its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly in accordance with the fund rules. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 54 million (2018: Baht 50 million) (Separate financial statements: Baht 37 million (2018: Baht 34 million)) were recognised as expenses.

30. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2017	Annual General Meeting of the shareholders on 26 April 2018	656,609	1.03
Interim dividends for 2018	Board of Directors' meeting on 8 August 2018	146,621	0.23
Total for 2018		803,230	1.26
Final dividends for 2018	Annual General Meeting of the shareholders on 25 April 2019	726,732	1.14
Interim dividends for 2019	Board of Directors' meeting on 7 August 2019	146,621	0.23
Total for 2019		873,353	1.37

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2019, the Company and subsidiaries had capital commitments of Baht 2,343 million (2018: Baht 2,455 million), relating to construction of assets and purchase of equipment (Separate financial statements: 298 million (2018: Baht 123 million)).

31.2 Commitments under various agreements

a) The Company and its subsidiaries have entered into several lease agreements in respect of the lease of hydrant equipment, land, airport space and building and motor vehicle. The terms of the agreements are generally between 1 and 30 years. These operating lease agreements are non-cancellable agreements, under which the Company and its subsidiaries are required to comply with the certain conditions, including obligations to transfer the ownership of constructed assets to the lessors under some land lease agreements.

Future minimum lease payments required under these non-cancellable operating lease contracts were as follows.

(Unit: Million Baht)

	As at 31 December 2019			
	In up to 1 year	In over 1 and up to 5 years	Over 5 years	Total
Bangkok Aviation Fuel Services Public Co., Ltd.	70	36	-	106
Thai Aviation Refueling Co., Ltd.	14	3	-	17
Fuel Pipeline Transportation Ltd.	72	154	219	445
Total	156	193	219	568

(Unit: Million Baht)

	As at 31 December 2018			
	In up to 1 year	In over 1 and up to 5 years	Over 5 years	Total
Bangkok Aviation Fuel Services Public Co., Ltd.	61	60	-	121
Thai Aviation Refueling Co., Ltd.	5	5	-	10
Fuel Pipeline Transportation Ltd.	62	179	231	472
Total	128	244	231	603

b) The Company has entered into an agreement with Airports of Thailand Public Company Limited (AOT) whereby it was granted permission to provide into-plane services at Suvanabhumi Airport for a period of 20 years from the date the airport officially opened for service (28 September 2006). The Company is to compensate AOT at the rate stipulated in the agreement, and has to comply with certain obligations. These obligations include entering into an agreement to rent land, erect buildings and certain structures on the land and transfer ownership of such constructions to the Ministry of Finance immediately upon completion, without charge. They also include the installation of equipment and systems to be used in implementing the project and, at its own expense, maintaining such equipment and systems in good and workable condition throughout the term of the agreement.

c) A subsidiary, Thai Aviation Refuelling Co., Ltd. has been granted approval by AOT to operate aviation fuel hydrant network services at Suvarnabhumi Airport, for a period of 30 years from the date of first operation of that company at the airport (28 September 2006). The subsidiary is obliged to comply with certain conditions, including an obligation to transfer the ownership of the hydrant refueling network including related supplies and spare parts, free of charge to AOT, and to pay a concession fee at a percentage of the subsidiary's income before deducting expenses, as stipulated in the agreement, as from the year of first operation.

31.3 Guarantees

The Company and its subsidiaries have outstanding bank guarantees as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Guarantee for tax refund	53	6	-	-
Guarantee for electricity use	18	18	3	3
Guarantee for land lease agreements	56	56	6	6
Guarantees for performance	127	123	93	90

31.4 Legal cases

On 4 May 2012, the Company was summoned as the fourth defendant in a lawsuit where a state-enterprise, local government agency and 3 local government officers were sued through the Central Administrative Court by 28 plaintiffs who alleged that they had been disturbed by the smell of fuel fumes from the aviation fuel storage station at Suvarnabhumi Airport. Each of 27 plaintiffs claimed the amount of damages between Baht 300,000 and 400,000, and one plaintiff claimed damages of Baht 1 million, making total damages of Baht 9.10 million. In addition, each plaintiff demanded monthly damages in the amount of Baht 10,000 to be paid until no fuel smell is emitted from the Company's storage station. The plaintiffs also asked the Company to cease the usage of its depot and storage of fuel until equipment for preventing and controlling the fuel smell is installed. Subsequently on 15 October 2012, 76 additional plaintiffs filed lawsuits, bringing the total number of plaintiffs in this case to 104, with damages excluding interest totaling Baht 31.9 million.

On 10 October 2019, the Central Administrative Court rendered its judgement, stating that the plaintiffs were unable to substantiate their claim that the damage had occurred. As such no wrongful act was found, and therefore, the defendants are not liable to all plaintiffs for any damages. However, the Central Administrative Court rendered a judgement ordering the local government officer to proceed according to the law ordering the Company to install equipment for preventing and controlling the fuel smell, or an odor absorbing system, at the aviation fuel storage station at Suvarnabhumi Airport within 60 days from the final judgment, or within the period specified by the Court in the event that the Supreme Administrative Court orders enforcement of the judgement prior to the final judgement.

On 11 November 2019, the Company filed an appeal with the Supreme Administrative Court to dispute that the Company has to install equipment for preventing and controlling the fuel smell, or an odor absorbing system, in accordance with the Central Administrative Court's judgement. The case is currently under the consideration of the Supreme Administrative Court. Since the plaintiffs did not file an appeal, the issue of compensation claims is ended. Therefore the Company is not liable to pay any damages to the plaintiffs.

32. Fair value hierarchy

As at 31 December 2019 and 2018, the Company and its subsidiaries had the assets and liabilities that were disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	-	53	53
Derivatives				
Foreign currency forward contracts	-	0.1	-	0.1

(Unit: Million Baht)

	Consolidated financial statements/ Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Assets for which fair value are disclosed				
Investment property	-	-	52	52

33. Financial instruments

33.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables, restricted bank deposits and government bond, long-term investment, long-term loan to and receivable from related party, others current financial assets, trade and other payables, liabilities under finance lease agreements, long-term loans and long-term liabilities under rehabilitation plan. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and long-term loan to and receivable from related party. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedure. Although, the Company and its subsidiaries provide services to a limited number of customers in the same industry, the Company and its subsidiaries do not expect to incur material financial losses since most of their customers are creditworthy.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at banks, bond and promissory note, current investments, liabilities under finance lease agreements, long-term liabilities under rehabilitation plan and long-term borrowings. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum.)
Financial Assets							
Cash and cash equivalents	1,081	-	-	337	9	1,427	0.10 - 1.20
Current investments	532	-	-	79	1	612	0.38 - 1.60
Trade and other receivables	-	-	-	-	388	388	-
Restricted bank deposits and government bond	60	-	-	11	-	71	1.25 - 1.81
Long-term investment	-	-	2	-	-	2	3.75
Others current financial assets	-	-	-	-	51	51	-
	1,673	-	2	427	449	2,551	
Financial liabilities							
Trade and other payables	-	-	-	-	296	296	-
Liabilities under finance lease agreements	10	15	-	-	-	25	3.29 - 12.60
Long-term loans	321	1,286	482	5,617	-	7,706	2.97 - 5.0
Long-term liabilities under rehabilitation plan	-	-	-	8	-	8	4.75 - 5.0
	331	1,301	482	5,625	296	8,035	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2018						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	1,178	-	-	315	11	1,504	0.1 - 1.44
Current investments	570	-	-	103	1	674	0.38 - 1.63
Trade and other receivables	-	-	-	-	380	380	-
Restricted bank deposits and government bond	60	-	-	11	-	71	1.25 - 1.33
Long-term investment	-	-	2	-	-	2	3.75
Others current financial assets	-	-	-	-	87	87	-
	1,808	-	2	429	479	2,718	
Financial liabilities							
Trade and other payables	-	-	-	-	406	406	-
Liabilities under finance lease agreements	10	16	-	-	-	26	3.29 - 12.6
Long-term loans	161	1,286	803	4,368	-	6,618	2.92 - 5.25
Long-term liabilities under rehabilitation plan	-	-	-	11	-	11	5
	171	1,302	803	4,379	406	7,061	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2019						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum.)
Financial Assets							
Cash and cash equivalents	881	-	-	101	-	982	0.10 - 1.20
Current investments	212	-	-	-	1	213	1.40 - 1.60
Trade and other receivables	-	-	-	-	313	313	-
Long-term loan to and receivable from related party	-	-	-	149	-	149	4.75 - 5.00
Others current financial assets	-	-	-	-	15	15	-
	1,093	-	-	250	329	1,672	
Financial liabilities							
Trade and other payables	-	-	-	-	218	218	-
Liabilities under finance lease agreements	15	31	-	-	-	46	3.29 - 12.60
Long-term loans	321	1,286	482	-	-	2,089	4.18
	336	1,317	482	-	218	2,353	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2018						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
							(% per annum.)
Financial Assets							
Cash and cash equivalents	680	-	-	47	-	727	0.1 - 1.44
Current investments	210	-	-	-	1	211	1.5 - 1.63
Trade and other receivables	-	-	-	-	311	311	-
Long-term loan to and receivable from related party	-	-	-	221	-	221	5
Others current financial assets	-	-	-	-	5	5	-
	890	-	-	268	317	1,475	
Financial liabilities							
Trade and other payables	-	-	-	-	210	210	-
Liabilities under finance lease agreements	26	38	-	-	-	64	3.29 - 12.6
Long-term loans	161	1,286	803	25	-	2,275	4.18 - 4.50
	187	1,324	803	25	210	2,549	

Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from service transactions that are denominated in foreign currencies.

The balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Average exchange rate as at 31 December	
	2019	2018	2019	2018
			(Baht per 1 foreign currency unit)	
US dollar	919,457	970,361	29.8855	32.1924

The Company has entered into forward exchange contracts to hedge the foreign currency risk in respect of the Company foreign currency receipts from account receivables and payment obligations under agreements. The outstanding foreign exchange contracts are as follows.

As at 31 December 2019				
Foreign currency	Sold amount	Contractual exchange rate of sold amount	Contractual maturity date	Fair value - gain
	(Million)	(Baht per 1 foreign currency unit)		(Million Baht)
US dollar	2.7	30.01 - 30.32	January - July 2020	0.1

As at 31 December 2018				
Foreign currency	Sold amount	Contractual exchange rate of sold amount	Contractual maturity date	Fair value - gain
	(Million)			(Million Baht)
US dollar	1.2	32.33 - 32.63	January - March 2019	-

33.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or carrying interest at rates close to the market interest rate, their fair value are not expected to be materially different from the amounts presented in statement of financial position.

During the current year, there were no transfers within the fair value hierarchy.

34. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 1.21:1 (2018: 1.07:1) and the Company's was 0.64:1 (2018: 0.69:1).

35. Events after the reporting period

35.1 On 26 February 2020, the Company's Board of Directors Meeting no. 1/2020 passed a resolution approving that the following allotment of earnings and payment of dividend for the year 2019 be proposed to the Company's shareholders.

1) Allotment of Baht 124 million of earnings to a reserve to fund expansion of investment.

2) Allotment of Baht 124 million of earnings to a general reserve.

3) Declaration of a dividend payment of Baht 1.25 per share, or a total of Baht 797 million, from the 2019 operation results. In this respect, the Company already paid an interim dividend of Baht 0.23 per share, or a total of Baht 147 million, in September 2019 and the remaining dividend of Baht 1.02 per share, or a total of Baht 650 million is proposed to be paid on 25 May 2020.

This allotment of earnings and payment of dividend for 2019 is to be proposed for approval by the Annual General Meeting of the Company's shareholders that is to be held on 29 April 2020.

35.2 On 7 February 2020, the Company issued and offered Baht 1,000 million of senior unsecured registered debentures without a debenture holders' representative and offered them to institutional investors (PP-II). The debentures have a tenor of 10 years and bear interest at a rate of 2.75 percent per annum, payable semi-annually on 7 February and 7 August of each year throughout the term. The purpose of the debentures is to be used in ordinary business operations and/or to fund investment to expand the business of the Company and its subsidiaries within 6 months from the date of issue. The Company is required to maintain a debt-to-equity ratio based on the financial statements of not more than 2.5:1 for each accounting year throughout the term of debentures.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2020.

Report of the Audit Committee for the Year 2019

Dear Shareholders of Bangkok Aviation Fuel Services Public Company Limited

The Audit Committee of Bangkok Aviation Fuel Services Public Company Limited (BAFS) consists of 3 independent directors, namely, Mr. Pachara Yutidhammadamrong as Chairman ofthe Audit Committee and Mr. Visut Montriwat and Mr. Pipat Purnananda as Audit Committee Directors. Mrs. Mayuree Nalinwong is acting as a Secretary of the Audit Committee. All members of the Audit Committee have all qualifications as specified in the Charter of the Audit Committee and in accordance with the regulations of the Securities and Exchange Commission (SEC).

The Audit Committee has performed its duties within the scope of duties and responsibilities as assigned by the Board of Directors and in accordance with the regulations of the Stock Exchange of Thailand (SET). In 2019, the Audit Committee held 5 meetings attended by all members of the Audit Committee, which were held with the executives, Secretary of the Risk Management Committee, internal auditor, IT auditor as well as external auditor in related matters. The key points of the meetings can be summarized as follows:

1. **Review of Financial Statements:** The Audit Committee reviewed consolidated and separate financial statements together with quarterly and annual reports of the year 2019, which were reviewed and audited by the external auditor. The Audit Committee questioned and listened to clarifications from the executives and the external auditor on the accuracy, completeness and reliability of the financial statements, significant changes affecting the financial statements, Thai Financial Reporting Standards, accounting policy, information disclosure, independence and the rotation of key audit partner. The Audit Committee acknowledged the 2019 audit plan as well as attended 3 meetings with the external auditor without the management to discuss financial audit overview and independence. The Audit Committee also provided opinions and suggestions on a quarterly basis to the Board of Directors. The Audit Committee viewed that the external auditor was independent and had no performance problems or obstacles as well as agreed with the external auditor that such financial statements were accurate in all material respects in accordance with the Thai Financial Reporting Standards.
2. **Review of Operation Information and Internal Control System:** The Audit Committee reviewed operation information and internal control system to assess the adequacy, appropriateness and efficiency of the internal control system. The Audit Committee considered an internal control system sufficiency evaluation form prepared by the SEC, internal audit reports, internal control system and risk management evaluation results conducted by the internal auditor and internal control system efficiency evaluation results conducted to provide opinions on financial statements by the external auditor. The Audit Committee viewed that the BAFS had in place the adequate and appropriate internal control system as well as sufficient workforce to operate its internal control system efficiently. BAFS also monitored and oversaw its subsidiaries' operations to ensure that the assets of BAFS and subsidiaries were protected from being wrongfully used by their directors or executives and no significant flaws were found in their internal control system.
3. **Review of Internal Audit:** The Audit Committee reviewed the internal audit system to ensure that internal audit activities were performed appropriately and effectively in terms of mission, scope of work, duties and responsibilities, manpower, training plans, budget and independence of Internal Audit Unit. The Committee also approved the 2019 internal audit plan which was prepared based on risk factors such as consistency of corporate strategies, corporate risks, quality of the internal control system and changes in executives, etc. In addition, the Audit Committee regularly reviewed compliance with business ethics and anti-corruption measures on a yearly basis as well as the internal audit plan at least once a year to ensure that it was suitable for and consistent with risk factors. The Audit Committee also reviewed the internal audit and IT audit reports prepared by the independent

external expert as well as evaluated performance of Head of the Internal Audit Unit in accordance with KPIs system (Key Performance Indicators). In this regard, appointment, transfer or dismissal of the Head of Internal Audit Unit must be approved by the Audit Committee. The Audit Committee viewed that BAFS's internal audit system was appropriate, effective and independent and its yearly internal audit plan was consistent with BAFS's goals and risk factors and linked to the sustainability strategy and the operational results of internal auditor team which is achieved according to targets. Moreover, its internal audit quality in terms of workforce and professional practices was constantly developed.

4. **Review of Risk Management System:** The Audit Committee reviewed the risk management system and internal control system to manage the overall risks. In 2019, the Audit Committee also had four meetings with the representatives of the Risk Management Committee and reviewed the risk management system in line with the policy and strategic plan and risk management manual. Moreover, the Audit Committee regularly provided opinions and suggestions such as to specify problems and obstacles that might affect to BAFS and subsidiaries' operations and problems solving, etc. to the Risk Management Committee and the Board of Directors on a quarterly basis. The Audit Committee viewed that BAFS had efficiently and effectively operated in compliance with the risk management system.
5. **Review of Compliances with the Law on Securities and Exchange, Regulations of the Stock Exchange of Thailand and Relevant Laws Including Compliance with BAFS's Regulations and Obligations with Third Parties:** The Audit Committee reviewed legal compliance and viewed that no significant issues, which were regarded as non-compliance with the laws, BAFS's regulations and obligations with third parties, were found.
6. **Consideration of connected transactions or transactions that may cause conflict of interest:** The Audit Committee considered and provided opinions about connected transactions or transactions that may cause conflict of interest; while BAFS established its practices and set up a Compliance Unit to oversee compliance with the laws, the SEC's regulations and BAFS's regulations. The Audit Committee viewed that the aforementioned transactions were reasonable and beneficial to BAFS and subsidiaries' business operations.
7. **Review of Good Corporate Governance:** The Audit Committee reviewed the appropriateness of compliance with the self-assessment form in terms of anti-corruption measures prepared by the Private Sector Collective Action Coalition against Corruption as well as the Code of Conduct. The Audit Committee viewed that BAFS had properly complied with such anti-corruption measures as well as its Code of Conduct. Moreover, BAFS also had clearly, adequately corruption of risk evaluation and appropriate internal control system to manage the risk management.
8. **Review of Charter of the Audit Committee:** The Audit Committee reviewed its Charter to ensure the appropriateness and consistency with the regulations of the SEC and the SET as well as the 2017 Corporate Governance Code for Listed Companies, and proposed it to the Board of Directors on a yearly basis.
9. **Consideration of the Audit Committee's Performance Assessment Results in General and for Each Individual:** The Audit Committee considered the Audit Committee's 2019 Performance Assessment Results which showed that the Audit Committee had completely performed its duties as stipulated in the Charter of the Audit Committee. The performance assessment topics included composition, duties and responsibilities, meetings, financial reporting, internal control, internal audit, compliance with the laws and regulations and risk management, etc.
10. **Preparation of Audit Committee's Activity Reports:** The Audit Committee prepared the activity reports to be proposed to the Chairman of the Board of Directors in every Audit Committee Meeting to report its activities according to the duties stipulated in the Charter of the Audit Committee.

11. **Consideration of External Auditor's Selection, Nomination and Remuneration:** The Audit Committee considered the selection, nomination and remuneration of external auditor for the year 2020 to be proposed to the Board of Directors for consideration and Shareholders' Meeting for approval. The Audit Committee selected the external auditor by assessing the auditors and team assistants' skills, knowledge, capabilities, the quality of their auditing performance in the previous year as well as their independence. The external auditors were required to prepare documents to certify their independence accordingly. The Audit Committee also considered the appropriateness of audit fee. Thus, the Audit committee found it appropriate to appoint Ms. Vissuta Jariyathanakorn, Certified Public Accountant Registration No. 3853 or Mr. Termphong Opanaphan, Certified Public Accountant Registration No. 4501 or Ms. Kosum Cha-em, Certified Public Accountant, Registration No. 6011 from the EY Office Limited to be BAFS's external auditor for the year 2020 with the audit fee of 1,530,000 Baht, exclusive of out of pocket expenses.

The Audit Committee provided opinions about the nomination of external auditor as follows:

- In the previous year, the external auditors provided explicit audit plans and performed their duties with professional knowledge and capabilities. They regularly attended the Audit Committee Meetings, kept up their work quality at a satisfactory level and ensured the continuity of BAFS's auditing.
- The proposed amount of audit fee at 1,530,000 Baht for the year 2020 was appropriate, which increased from the previous amount of 1,460,000 Baht in 2019 or represented an increase of 70,000 Baht or 4.8% compared to the previous year. According to the new Financial Reporting Standards which is effective in 2020, thus taking longer period for auditing from the effect of the new standards and increasing the audit fee in accordance with the inflation rate. Moreover, when comparing the audit fee of BAFS to the audit fees of other listed companies at the same level, it was found that the fee amounts were not much different.
- BAFS complied with the SEC's regulations regarding the rotation of the external auditor.
- The external auditors were independent without relations and/or conflict of interest with BAFS/subsidiaries/executives/major shareholders or related persons.

To summarize, with knowledge, capabilities and independence, the Audit Committee fully performed its duties as specified in the Charter of the Audit Committee which was approved by the Board of Directors and provided opinions and suggestions to the management, the Risk Management Committee and the Board of Directors continuously. The Audit Committee also viewed that BAFS had prepared financial reports and operation information correctly and completely and had in place appropriate and effective internal control system, internal audit and risk management. BAFS conducted its businesses in compliance with the laws, regulations and obligations and processed all connected transactions correctly. At the same time, BAFS promoted good corporate governance as well as had in place the external auditor selection, nomination and remuneration system. Additionally, based on the Corporate Governance Report of Thai Listed Companies 2019 prepared by the Thai Institute of Directors (IOD), BAFS was ranked in excellent level like in the previous year.

February 7, 2020

On behalf of the Audit Committee

Mr. Pachara Yutidhammadamrong

Chairman of the Audit Committee

Summary of Opinions Concerning Internal Control System for the Year 2019

The Board of Directors assigned the Audit Committee consisting of independent directors to review adequacy and appropriateness of internal control system in order to ensure BAFS's operational efficiency and effectiveness as well as appropriate property maintenance.

The Audit Committee attended the Board of Directors Meeting on February 26, 2020, where the Board of Directors agreed with the Audit Committee's opinions as presented in the assessment form of the Office of Securities and Exchange Commission (SEC) and Summary of Opinions Concerning Internal Control System for the Year 2019. The Audit Committee concluded that BAFS established an adequate and appropriate internal control system and assigned sufficient personnel to implement the internal control system efficiently. BAFS also monitored and oversaw its subsidiaries' operations regarding their ability to protect the Company and its subsidiaries' properties from being used wrongfully or without authority by their directors or executives. In addition, no significant errors were found in the internal control system. The details can be summarized as follows:

1. Control Environment

BAFS established a good control environment as follows:

- BAFS defined and revised organizational structure to support the achievement of corporate objectives which were defined to have good internal control system and operational efficiency. Reporting lines were clearly defined with segregation of duties to create checks and balances. Job descriptions, which determined personnel's duties, responsibilities, knowledge, capabilities and experiences, were developed to best fit each position and adjusted to ensure appropriateness as well as consistency with the organizational structure and positions. Duties and responsibilities between the Board of Directors, subcommittees and management were appropriately defined. In the meantime, duties and responsibilities of the Board of Directors were improved to be in line with the Corporate Governance Report of Thai Listed Companies 2019. The Audit Committee Charter, the Risk Management Committee Charter, Nominating and Corporate Governance Committee Charter, the Executive Committee Charter and the Corporate Sustainability Committee Charter were also improved. In addition, the Internal Audit Unit was set up to report its internal audits to the Audit Committee and its management audits to the Managing Director.
- BAFS determined and communicated its major policies and practice guidelines, all of which were consistent with the principles of good corporate governance and were regularly revised to ensure appropriateness, for instance, the Good Corporate Governance and Anti-Corruption Policy, the Code of Conduct which were abided by BAFS's directors and employees, and the measures on anti-corruption, conflict of interest, internal control, whistleblowing, and protection measures and disciplinary actions, etc. The Sustainable Procurement Policy was imposed to apply with BAFS Group according to its sustainability approaches. All directors, executives and employees were required to sign to acknowledge and comply with the Good Corporate

Governance, the Anti-Corruption Policy, and Code of Conduct as well as to confirm their avoidance of conflict of interest. Moreover, BAFS arranged training programs including the Board's role in anti-corruption for the Board of Directors, as well as Code of Conduct, Business Partner Code of Conduct and the measures on anti-corruption and sustainability for its executives and employees, which were also included in the orientation programs for new directors, new employees and employees who were promoted. BAFS also communicated the principles of good corporate governance to third parties and organized seminars on Business Partner Code of Conduct and Sustainability Framework for its trade partners and distributors continuously, including informing its key business partners about BAFS's procurement approaches for sustainability. BAFS was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) and annually attended the Anti-Corruption Day to demonstrate BAFS Group's intention to countering corruption. Moreover, BAFS received "Excellent" Corporate Governance Awards 2019 from the Thai Institute of Directors (IOD) and Sustainability Disclosure Award 2019 which was arranged by the Securities and Exchange Commission (SEC) and Thaipat Institute. BAFS was listed in Thailand Sustainability Investment (THSI) 2019 by the Stock Exchange of Thailand (SET) while its score result on Annual General Meeting Checklist 2019 given by Thai Investors Association was 100. BAFS also received the National Outstanding Organization Awards for Workplace Safety, Health and Environment 2019 from the Ministry of Labour.

- BAFS's Corporate Governance Working Group, Core Value Working Group and Internal Audit Unit had improved testing system and form of Code of Conduct as well as monitored Code of Conduct and Core Value compliances appropriately and annually. For instance, the executives and employees shall assess themselves followed by policy and criteria relating to Code of Conduct and Core Value compliances via on-line system; the core value campaign shall be continually arranged; and Code of Conduct and anti-corruption measures compliances shall be audited while Code of Conduct compliance assessment shall be conducted by external independent experts, including the management process shall be executed in a timely manner in case of non-compliance with the Code of Conduct and anti-corruption measures.
- BAFS's Board of Directors comprised directors with diversified qualifications, knowledge and experiences that were beneficial to the Company. BAFS defined qualifications of its independent directors to be more stringent than those required by the SEC and was able to seek advice from external consultants.
- BAFS set its strategic plans 2019-2020 as tools for determining its operational direction, whereas BAFS's corporate goals were explicit and measurable. In accordance with a balanced scorecard, BAFS' strategic objectives were consistent with its strategic goals. BAFS's achievements were measured by Key Performance Indicators (KPIs), which were regularly reviewed to ensure their appropriateness. In addition, BAFS implemented a budget system to reflect and control its performance for higher efficiency. BAFS conducted employee performance assessments by applying performance indicators that were consistent with its strategic goals and Code of Conduct and were communicated to the executives and employees for acknowledgement. Additionally, BAFS arranged workshops to review its stakeholders and material aspects in order to develop sustainability strategies and action plans regularly.

- Since BAFS had prioritized its personnel as the most important resource, BAFS therefore developed a succession plan and organized training programs to enhance knowledge, skills and capabilities that were appropriate for employees and their assigned tasks. For example, BAFS set up mentoring system while its Knowledge Management and Training Center Committee had been preparing work system's bodies of knowledge and others such as Financial Analysis, Problem Management and Leadership according to BAFS's knowledge management (KM) master plan, which were taken to increase work efficiency and prevent loss of wisdom. BAFS developed explicit individual development plan, training roadmap, annual training plan, career advancement system, manual on employee rotation, transfer, promotion and level adjustment, including considering an employee annual salary increase according to performance, all of which shall be applied in the same direction within BAFS Group. BAFS also organized HR for non-HR seminar to improve its executives' understanding on human development principles and foundations as well as provided knowledge regarding performance assessment and career advancement to employees in departmental meetings. Its executives, who had been assigned to be directors of BAFS's subsidiaries, were encouraged to attend necessary training programs arranged by the Thai Institute of Directors (IOD) to enhance their knowledge efficiencies. BAFS also arranged employee exchange visits in foreign countries. Moreover, BAFS Training Center was certified by the Department of Energy Business to be an aviation fuel service business learning center for both internal and external personnel working related to aviation fuel and as a lecturer for training programs on operators of petrol stations for aircraft refuelling service. It was also certified by the Department of Labour Protection and Welfare as a lecturer for fire evacuation drill and basic firefighting programs. BAFS arranged the training programs entitled "Aviation Fuel Quality Control for Airline Inspector" for Thai Airways International Plc. and "Operational Knowledge Management for Organizational Sustainable Development" for Index International Group Co., Ltd. Furthermore, there were groups of representatives from domestic and foreign organizations such as Office of the Public Sector Development Commission, Sukhothai Thammathirat Open University, PTT Plc. and Narita International Airport Fuel Facilities Corporation (NAAF) visited and observed BAFS's businesses.

2. Risk Assessment

BAFS placed importance on risk management policy and system compliance as follows:

- BAFS set up the Risk Management Committee and imposed the Risk Management Policy as well as the IT Risk Management Policy, all of which were approved by the Board of Directors. BAFS developed strategic planning and risk management manuals for corporate level and processes. BAFS also applied management systems such as Quality Management System, Occupational Health and Safety Management System and Business Continuity Management System, whereas objectives and risk assessment were determined in accordance with BAFS's vision and objectives. BAFS communicated them to employees and arranged employee testing on knowledge regarding strategic plans and risk management while having communication efficiency

assessment in order to ensure employee acknowledgement and understanding for compliances. BAFS appointed a risk champion of each department to monitor and ensure compliances with the Risk Management Policy and measures as stipulated. Its executives and employees were required to sign for acknowledgement of and compliance with the Risk Management Policy for the same practice directions.

- BAFS arranged workshops for its executives and employees to define corporate objectives at corporate level, which were consistent with its vision and mission. BAFS improved objectives, strategies and business continuity management plan to ensure appropriateness. To achieve predetermined objectives, corporate and process risks, risks from management systems that may impact BAFS's business operations and corruption risks were identified by considering internal and external factors. With this regard, risk control measures and action plans were established to ensure that risks were at the acceptable level by firstly dealing with high-level risks. In addition, BAFS defined and regularly reviewed its risk appetite, risk tolerance, key risk indicators (KRIs) and trigger point, which were deemed as early warning systems for solving problems in a timely manner. The Risk Management Committee and the Audit Committee also monitored risk management system compliance on a quarterly basis in accordance with procedures determined in the Risk Management Policy and strategic planning and risk management manuals. Moreover, BAFS conducted IT assessment covering Cybersecurity, Disaster Recovery, and Digital Disruption in alignment with the principles of corporate governance of listed companies in ASEAN.
- BAFS assessed changes of external factors, business models and organizational leaders, all of which might affect business operations, and established adequate measures in response to such changes such as revision of its corporate objectives to be in line with strategic plans in order to support business operations in the future. BAFS also set up its growth strategy and corporate growth working group with goals and revenue growth framework, for example, BAFS conducted core business expansion by cooperating with business alliances for bidding on an aviation fuel service project at U-Tapao Rayong-Pattaya International Airport. BAFS had been studying on aviation fuel service projects for bidding at foreign airports with high growth potentials as well. Moreover, BAFS expanded its investment in adjacency business by collaborating with alliances in digital and software business and broadened production lines of refuelling vehicle and equipment. BAFS also enlarged its investment scope to enhance diversification, balance revenue structure, reduce dependence on revenue from core business and develop BAFS Group's businesses towards sustainable growth by collaborating with alliances in renewable energy and environmental business. BAFS Group's strategic public relations plan 2019 - 2020 was set to be consistent with its growth strategy and safety management system (SMS) was prepared by providing knowledge to employees in order to raise awareness on aviation safety. BAFS monitored factors that might affect its operations in terms of fluctuations in exchange rates and securities markets as well as conducted full-scale rehearsals on its business continuity plan and emergency action plan.

3. Control Activities

BAFS conducted good control activities as follows:

- BAFS established a variety of risk control measures, both manual and automated, which were appropriate for its risks and specific attributes such as environment, nature of work and scope of operation.
- BAFS developed manuals and guidelines for its major operations. Duties and responsibilities were clearly defined while approval authorities, accounting and information technology records and property management were completely segregated. Concise measures for transactions were established whereby connected transactions were approved by non-stakeholders for the Company's maximum benefits, for instance, guidance for director and management reporting, approval authority, work rules and regulations were regularly reviewed while purchasing manual, and procedures regarding connected transaction and acquisition and disposition of assets transaction were adjusted appropriately, etc.
- Meetings of the management, departments and others were regularly held to monitor management and operations control.
- Reporting, verification and transaction approval processes or binding contracts as well as monitoring and reviewing measures were defined to ensure that BAFS's operations were carried out in accordance with the terms and conditions agreed, for instance, compliances with regulations and procedures regarding connected transaction and acquisition and disposition of assets transaction, etc.
- IT system application and general control measures in the areas of infrastructure, safety, acquisition, development and maintenance were appropriately established. BAFS also imposed regulations on corporate computer network usage, the IT System Safety and Security Policy, the IT Risk Management Policy, and the IT Resource Allocation and Management Policy, while IT management systems such as organizational documentation, task management, service requisition and legal requisition were developed to increase efficiency. Moreover, BAFS reviewed an installation of programs that did not comply with the Company's regulations and hired independent external experts to conduct IT system audits.
- BAFS imposed a policy to monitor subsidiaries, associates and companies of which BAFS was holding shares and determined directions for the persons appointed as directors or executives. The Risk Management Committee was responsible for overseeing risk management of BAFS Group and reported to the Board of Directors on a quarterly basis. Meanwhile, the Executive Committee oversaw and monitored BAFS Group's progresses of operations and assessed their performances. Moreover, the subsidiaries were also requested to report their performances to the Executive Committee on a monthly basis and to the Board of Directors on a six-month basis.

4. Information and Communication

BAFS arranged good information and communication systems as follows:

- BAFS used relevant and high quality information from both internal and external sources based on costs and benefits that may obtain from using the information system for data processing and storage. To ensure internal control effectiveness, revisions on relevant information such as activity-based costing system and managerial report were regularly conducted.
- BAFS regularly reported significant information to the Board of Directors whereby the Board of Directors can access to necessary information for their performance of duties or report auditing such as delivery of meeting documents and preparation of minutes of the Board of Directors Meeting, which comprised sufficient and necessary details, within the specified period. In addition, BAFS arranged the Board of Directors Meeting efficiency assessment as well as assigned the Corporate Secretary to be a coordinator between the Company and the Board of Directors. The Board of Directors Meetings without participation of the management were held as well.
- BAFS prepared financial reports in accordance with the Generally Accepted Accounting Standards, which were appropriate with its business nature. Moreover, its accounting documents were also categorized.
- BAFS arranged efficient communication processes and appropriate communication channels such as social media, SMS, e-mail, monthly departmental meeting and annual meeting between the management and employees to communicate its internal information to executives and employees at all levels. Media training course was also provided to BAFS Group's executives in order to ensure their readiness for interviews domestically and internationally.
- BAFS imposed and improved the Communication and Information Disclosure Policy to ensure appropriateness, implemented efficient communication processes and provided appropriate communication channels to communicate to its external stakeholders, for example, setting up an investor relations unit, communicating information via BAFS's website, arranging quarterly meetings for executives and investors and shareholder relationship enhancement activities, including a press release entitled: "BAFS' Success, Business Growth Potential and Its 36th Anniversary of Pride in Sustainable Energy Service Business".
- BAFS provided special and safe communication channels to both internal and external persons for filing complaints or whistle blowing on suspicious breaches of laws, the Company's Code of Conduct and Anti-Corruption Policy as well as corrupt behaviors and unequal treatment. In any case, BAFS had the Whistleblower Protection Policy for not disclosing whistleblower's information and ensuring fairness and protection for employee whistleblowers.

5. Monitoring Activities

BAFS arranged constant monitoring activities as follows:

- Reports on comparison of operating results with predetermined goals were regularly prepared and submitted to the Executive Committee and the management on a monthly basis and to the Board of Directors for acknowledgement on a regular basis. The reports including information on quality management system, occupational health and safety management system, business continuity management system and investment projects were presented to the Executive Meeting on a monthly basis. To ensure the achievement of corporate goals and objectives, the reports on operating results of the Risk Management Committee and the Executive Committee were submitted to the Board of Directors on a quarterly basis. Moreover, if the actual operating results were different from the predetermined goals, corrective actions would be immediately taken.
- In case of any incident that may cause significant impacts to BAFS, it would be reported to the Board of Directors or relevant subcommittees. The management would report its progress and provide problem solving guidelines within the appropriate period.
- Processes taken to monitor policies and criteria relating to the principles of good corporate governance were established, for instance, the Anti-Corruption Policy and Code of Conduct, etc. The independent Internal Audit Unit was set up to provide assurance and fair counsel as well as to audit compliances of internal control system, risk management system and corporate governance system, Code of Conduct and anti-corruption measures as defined in its auditing plan. The Internal Audit Unit reported its auditing results to the Audit Committee and regularly followed up and reported its auditing progress on a quarterly basis. The Internal Audit Unit also prepared the internal audit system adequacy assessment which was independently assessed by the management. In addition, BAFS developed and encouraged its internal auditors to attend professional internal audit trainings regularly to enhance their knowledge, skills and capabilities.

Connected Transactions

1. Details of connected transactions between Bangkok Aviation Fuel Services PCL. and persons who may have conflicts of interest

Names	Characteristics of Transactions	Relationship
1. Thai Airways International PCL. (THAI)	1. Aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang International Airport and Suvarnabhumi Airport 2. Collection of considerations for aircraft refuelling service at Don Mueang International Airport 3. Customs formalities service 4. Providing training program entitled: "Aviation Fuel Quality Control for Airline Inspector"	1. THAI is BAFS's major shareholder. 2. The Ministry of Finance is BAFS's indirect major shareholder and THAI's major shareholder. 3. BAFS's directors who are THAI's executives: - Mr. Surachai Piencharoensak (until October 1, 19) - Squadron Leader Pongtorn Thepkanjana (until October 1, 19) - Mr. Nattapong Samit-ampaipisarn (since August 7, 19) - Squadron Leader Soradej Namruangsri (since November 13, 19).
2. The Shell Company of Thailand Limited (Shell)	1. Aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang International Airport and Suvarnabhumi Airport 2. Collection of considerations for aircraft refuelling service at Don Mueang International Airport 3. Customs formalities service 4. Vehicle fuel costs	Mr. Rungroj Sivachan, BAFS's director, is Shell's authorized person.
3. PTT Plc. (PTT)	Vehicle fuel costs	The Ministry of Finance is BAFS's indirect major shareholder and PTT's major shareholder.
4. PTT Retail Management Co., Ltd.	Vehicle fuel costs	The Ministry of Finance is indirect major shareholder of BAFS and PTT Retail Management Co., Ltd.

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	261.47 million Baht	24.39 million Baht	Continued
0.08 Baht/liter	-	-	Continued
-	-	-	Continued
-	0.28 million Baht	-	-
-	269.40 million Baht	20.32 million Baht	Continued
0.08 Baht/liter	16.13 million Baht	1.29 million Baht	Continued
-	-	-	Continued
-	8.90 million Baht	0.87 million Baht	Continued
-	6.24 million Baht	0.50 million Baht	Continued
-	0.01 million Baht	0.0008 million Baht	Continued

Names	Characteristics of Transactions	Relationship
5. PTT Oil and Retail Business Plc. (PTTOR)	1. Aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang International Airport and Suvarnabhumi Airport 2. Collection of considerations for aircraft refuelling service at Don Mueang International Airport 3. Aviation fuel storage, aircraft refuelling and defuelling services at Samui, Sukhothai and Trat Airports 4. Vehicle fuel costs	1. The Ministry of Finance is indirect major shareholder of BAFS and PTTOR. 2. Mr. Peratak Autadej, BAFS's Director, is PTTOR's authorized person.
6. PTT Digital Solutions Co., Ltd.	Microsoft product mutual rentals	The Ministry of Finance is indirect major shareholder of BAFS and PTT Digital Solutions Co., Ltd.
7. Airports of Thailand PLC. (AOT)	1. Rentals and considerations • **Don Mueang International Airport** - Fuel pipeline transportation system rental - Considerations for aircraft refuelling service at Don Mueang International Airport, collected for AOT - Rental of building and space inside the apron - Rental of space outside the apron • **Suvarnabhumi Airport** - Considerations for aircraft refuelling and defuelling services - Rental of space outside the apron - Rental of room inside the apron - Rental of space inside the apron 2. Request for airport ID card and vehicle pass issuance as well as public utilities service and other services at Don Mueang International Airport and Suvarnabhumi Airport 3. Information System Development Service	1. The Ministry of Finance is BAFS's indirect major shareholder and THAI's major shareholder. 2. Mr. Nitinai Sirismatthakarn, BAFS's director, is AOT's director and executive.

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	1,079.39 million Baht	97.39 million Baht	Continued
0.08 Baht/liter	69.05 million Baht	6.15 million Baht	Continued
-	22.89 million Baht	1.84 million Baht	Continued
-	0.01 million Baht	-	Continued
-	-	-	Continued
2,661,257.80 Baht/month	32.16 million Baht	-	Continued
0.08 Baht/liter	110.02 million Baht	9.57 million Baht	Continued
125 Baht/ square meter/month	10.82 million Baht	-	Continued
90 Baht/ square meter/month	0.64 million Baht	-	Continued
0.06 Baht/liter	254.26 million Baht	22.76 million Baht	Continued
75.75 Baht/ square meter/month	6.27 million Baht	-	Continued
470 Baht/ square meter/month	0.75 million Baht	-	Continued
155 Baht/ square meter/month	3.38 million Baht	-	Continued
-	5.26 million Baht	0.35 million Baht	Continued
-	0.86 million Baht	-	-

Names	Characteristics of Transactions	Relationship
8. Bangkok Airways PLC. (BA)	1. Rental of radio communication equipment at Samui and Trat Airports 2. Request for airport ID card and vehicle pass issuance at Samui, Sukhothai and Trat Airports 3. Air ticket purchase 4. Long-term land leasing	Mr. Puttipong Prasarttong-Osoth, BAFS's director, is BA's major shareholder.
9. The Ministry of Finance	Rental of state-owned building and land relating to building at Don Mueang Aviation Fuel Storage Station	The Ministry of Finance is BAFS's indirect major shareholder.
10. Thai Petroleum Pipeline Co., Ltd. (THAPPLINE)	1. Land and structure leasing and public utilities system service • **Don Mueang Aviation Fuel Storage Station** - Land leasing - Public utilities system service • **Suvarnabhumi Airport Aviation Fuel Storage Station** - Land leasing - Public utilities system service 2. Collection of considerations for sprinkler, water supply and electricity system	1. The Ministry of Finance is indirect major shareholder of BAFS and THAPPLINE. 2. Mr. Peratak Autadej, BAFS's director, is THAPPLINE's director.
11. Dhipaya Insurance Plc. (TIP)	1. All risks insurance, third-party liability insurance and property terrorism insurance 2. Auto insurance and road accident victims protection	The Ministry of Finance is indirect major shareholders of BAFS and TIP.
12. Bangkok Insurance Plc. (BKI)	1. All risks insurance, third-party liability insurance and property terrorism insurance 2. Other types of insurance such as employee health and accident insurance	M.R. Supadis Diskul, BAFS's director, is BKI's director.
13. NPC Safety and Environmental Service Co., Ltd. (NPC S&E)	1. Membership fees for database system service 2. Training service "On-Scene Commander" program 3. Organizing service on Safety Culture Day Exhibition	The Ministry of Finance is indirect major shareholder of BAFS and NPC S&E.

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	0.18 million Baht	-	Continued
-	0.06 million Baht	-	Continued
-	0.18 million Baht	-	Continued
-	1.07 million Baht	-	Continued
-	10.19 million Baht	0.26 million Baht	Continued
-	1.60 million Baht	-	Continued
-	2.28 million Baht	-	Continued
-	4.24 million Baht	-	Continued
-	2.89 million Baht	-	Continued
-	0.34 million Baht	-	Continued
-	9.74 million Baht	-	Continued
-	1.38 million Baht	0.13 million Baht	Continued
-	10.50 million Baht	-	Continued
-	6.83 million Baht	0.01 million Baht	Continued
-	0.002 million Baht	-	-
-	0.05 million Baht	-	-
-	0.04 million Baht	-	-

Names	Characteristics of Transactions	Relationship
14. TMB Bank Plc. (TMB)	1. Interest payment on long-term loan 2. Credit limit for financial transactions	The Ministry of Finance is BAFS's indirect major shareholder and TMB's major shareholder.
15. Sabai Sabai Sukhothai Co., Ltd.	Accommodation services	Mr. Puttipong Prasarttong-Osoth, BAFS's director, is indirect major shareholder of Sabai Sabai Sukhothai Co., Ltd.
16. Sinsap Sukhothai Co., Ltd.	Accommodation services	Mr. Puttipong Prasarttong-Osoth, BAFS's director, is indirect major shareholder of Sinsap Sukhothai Co., Ltd.
17. Bangkok Dusit Medical Services Plc. (BDMS)	Medical services	Mr. Puttipong Prasarttong-Osoth, BAFS's director has a close relative who is a major shareholder of Bangkok Dusit Medical Services Co., Ltd.

2. Details of connected transactions between Thai Aviation Refuelling Co., Ltd. (subsidiary) and persons who may have conflicts of interest

Names	Characteristics of Transactions	Relationship
1. Thai Airways International PCL. (THAI)	Aviation fuel transportation service through hydrant pipelines	1. THAI is BAFS's major shareholder. 2. The Ministry of Finance is BAFS's indirect major shareholder and THAI's major shareholder. 3. BAFS's directors who are THAI's executives: - Mr. Surachai Piencharoensak (until October 1, 19) - Squadron Leader Pongtorn Thepkanjana (until October 1, 19) - Squadron Leader Soradej Namruangsri (since November 13, 19) - Mr. Nattapong Samit-ampaipisarn (since August 7, 19).

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
- -	253.33 million Baht 146.93 million Baht	- 81.01 million Baht	Continued Continued
-	0.025 million Baht	-	-
-	0.31 million Baht	-	-
-	0.11 million Baht	0.11 million Baht	-

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	107.48 million Baht	10.03 million Baht	Continued

Names	Characteristics of Transactions	Relationship
2. The Shell Company of Thailand Limited (Shell)	1. Aviation fuel transportation service through hydrant pipelines 2. Vehicle fuel costs	Mr. Rungroj Sivachan, BAFS's director, is Shell's authorized person.
3. PTT Plc. (PTT)	Vehicle fuel costs	The Ministry of Finance is BAFS's indirect major shareholder and PTT's major shareholder.
4. PTT Oil and Retail Business Plc. (PTTOR)	1. Aviation fuel transportation service through hydrant pipelines 2. Vehicle fuel costs	1. The Ministry of Finance is indirect major shareholder of BAFS and PTTOR. 2. Mr. Peratak Autadej, BAFS's Director, is PTTOR's authorized person.
5. Airports of Thailand PLC. (AOT)	• **Suvarnabhumi Airport** 1. License for aviation fuel transportation service operation through hydrant pipelines 2. Rental of land in the east 3. Rental of land to the rear of Domestic Cargo Building 4. Rental of room inside the apron 5. Rental of space inside the apron 6. Request for airport ID card and vehicle pass issuance as well as public utilities service 7. Participation in a training program "Basic Fire Fighting"	1. The Ministry of Finance is BAFS's indirect major shareholder and AOT's major shareholder. 2. TARCO's directors who are AOT's executives: - Miss Shanalai Chayakul (until March 21, 19) - Miss Sasisubha Sukontasub (until October 21, 19) - Mr. Sirote Duangratana (since March 22, 19) - Mrs. Chadanisa Chumnanvej (since November 14, 19). 3. Mr. Nitinai Sirismatthakarn, BAFS's director, is AOT's director and executive.

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	57.00 million Baht	4.09 million Baht	Continued
-	0.26 million Baht	0.01 million Baht	Continued
-	0.16 million Baht	0.01 million Baht	Continued
-	224.01 million Baht	20.52 million Baht	Continued
-	0.03 million Baht	0.01 million Baht	Continued
2 percent per year of TARCO's gross service income before deducting expenses	13.16 million Baht	13.16 million Baht	Continued
125 Baht/ square meter/month	0.18 million Baht	-	Continued
71.47 Baht/ square meter/month	1.37 million Baht	-	Continued
470 Baht/ square meter/month plus service fees	0.89 million Baht	-	Continued
155 Baht/ square meter/month	0.07 million Baht	-	Continued
-	0.54 million Baht	0.03 million Baht	Continued
-	0.03 million Baht	-	-

Names	Characteristics of Transactions	Relationship
6. Bangkok Airways PLC. (BA)	Air ticket purchase	Mr. Puttipong Prasarttong-Osoth, BAFS's director, is BA's major shareholder.
7. Dhipaya Insurance Plc. (TIP)	1. All risks insurance, third-party liability insurance and property insurance 2. Insurance for construction of aviation fuel hydrant pipeline system phase 2	The Ministry of Finance is indirect major shareholders of BAFS and TIP.
8. Bangkok Insurance Plc. (BKI)	1. All risks insurance, third-party liability insurance and property insurance 2. Insurance for construction of aviation fuel hydrant pipeline system phase 2 3. Other types of insurance such as employee health and accident insurance, including motor vehicle insurance and motor vehicle victim insurance	M.R. Supadis Diskul, BAFS's director, is BKI's director.
9. NPC Safety and Environmental Service Co., Ltd. (NPC S&E)	Membership fees for database system service	The Ministry of Finance is indirect major shareholder of BAFS and NPC S&E.
10. TMB Bank Plc. (TMB)	Payment of principle and interest on long-term loan.	The Ministry of Finance is BAFS's indirect major shareholder and TMB's major shareholder.

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	0.15 million Baht	-	-
-	1.46 million Baht	-	Continued
-	0.56 million Baht	0.24 million Baht	-
-	1.41 million Baht	-	Continued
-	0.24 million Baht	0.15 million Baht	-
-	0.89 million Baht	-	Continued
-	0.01 million Baht	-	Continued
-	119.09 million Baht	-	Continued

3. Details of connected transactions between Fuel Pipeline Transportation Ltd. (subsidiary) and persons who may have conflicts of Interest

Names	Characteristics of Transactions	Relationship
1. The Shell Company of Thailand Limited (Shell)	1. Aviation fuel transportation service through pipeline and depot systems to Don Mueang Aviation Fuel Storage Station 2. Aviation fuel transportation service through pipeline and depot systems to Suvarnabhumi Aviation Fuel Storage Station 3. Fuel transportation service through pipeline and depot systems to Bang Pa-In Depot 4. Fuel transportation service through pipeline and depot systems to Pichit Depot 5. Fuel reserves service at Bang Pa-In Depot 6. Fuel reserves service at Phichit Depot 7. Sales office management service at Bang Pa-In Depot 8. Sales office management service at Phichit Depot 9. Office building rental at Phichit Depot	Mr. Rungroj Sivachan, BAFS's director, is Shell's authorized person.
2. PTT Plc. (PTT)	Land subleasing and land utilization	The Ministry of Finance is BAFS's indirect major shareholder and PTT's major shareholder.

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	5.20 million Baht	0.79 million Baht	Continued
-	44.50 million Baht	3.00 million Baht	Continued
-	1.20 million Baht	-	Continued
-	18.86 million Baht	5.14 million Baht	Continued
-	3.02 million Baht	-	Continued
-	3.39 million Baht	0.26 million Baht	-
-	0.74 million Baht	0.03 million Baht	Continued
-	-	-	-
-	0.08 million Baht	0.02 million Baht	Continued
-	17.09 million Baht	-	Continued

Names	Characteristics of Transactions	Relationship
3. PTT Oil and Retail Business Plc. (PTTOR)	1. Aviation fuel transportation service through pipeline and depot systems to Don Mueang Aviation Fuel Storage Station 2. Aviation fuel transportation service through pipeline and depot systems to Suvarnabhumi Aviation Fuel Storage Station 3. Fuel transportation service through pipeline and depot systems to Bang Pa-In Depot 4. Fuel transportation service through pipeline and depot systems to Phichit Depot 5. Office building rental at Bang Pa-In Depot	1. The Ministry of Finance is indirect major shareholder of BAFS and PTTOR. 2. Mr. Peratak Autadej, BAFS's Director, is PTTOR's authorized person.
4. PTT Natural Gas Distribution Co., Ltd. (PTT NGD)	Natural gas transportation pipeline service at Bang Pa-In Depot	The Ministry of Finance is indirect major shareholder of BAFS and PTT NGD.
5. Airports of Thailand PLC. (AOT)	Rental of land at the outside areas along the airport's fence located the area of Suvarnabhumi Airport	1. The Ministry of Finance is BAFS's indirect major shareholder and AOT's major shareholder. 2. Mr. Nitinai Sirismatthakarn, BAFS's director, is AOT's director and executive.
6. Nok Airlines Plc. (NOK)	Air ticket purchase	Thai Airways International PCL is major shareholder of BAFS and NOK.

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	2.15 million Baht	0.10 million Baht	Continued
-	-	-	-
-	88.68 million Baht	7.23 million Baht	Continued
-	6.30 million Baht	1.58 million Baht	Continued
-	0.24 million Baht	0.02 million Baht	Continued
-	0.79 million Baht	0.07 million Baht	Continued
-	1.59 million Baht	-	Continued
-	0.20 million Baht	-	-

Names	Characteristics of Transactions	Relationship
7. Dhipaya Insurance Plc. (TIP)	1. All risks insurance and third-party liability insurance 2. Fire insurance for fuel system testing in the Northern fuel pipeline transportation system phase 1 project 3. Auto insurance and road accident victims protection	The Ministry of Finance is indirect major shareholder of BAFS and TIP.
8. Bangkok Insurance Plc. (BKI)	1. All risks insurance and third-party liability insurance 2. Fire insurance for fuel system testing in the Northern fuel pipeline transportation system phase 1 project 3. Other types of insurance such as - Liability insurance third-type control business - Bang Pa-In Depot, Bangchak - Bang Pa-In Fuel Transportation Pipeline Project and Phichit Depot - Property insurance, employee health and accident insurance, auto insurance and road accident victims protection and mobile phone and radio communication equipment insurance	M.R. Supadis Diskul, BAFS's director, is BKI's director.
9. NPC Safety and Environmental Service Co., Ltd. (NPC S&E)	Membership fees for database system service	The Ministry of Finance is indirect major shareholder of BAFS and NPC S&E.

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	10.04 million Baht	-	Continued
-	0.82 million Baht	-	-
-	0.05 million Baht	-	Continued
-	10.04 million Baht	-	Continued
-	0.82 million Baht	-	-
-	0.15 million Baht	-	-
-	2.44 million Baht	-	-
-	0.0025 million Baht	-	-

4. Details of connected transactions between BAFS INTECH Co., Ltd. (subsidiary) and persons who may have conflicts of interest

Names	Characteristics of Transactions	Relationship
1. PTT Oil and Retail Business Plc. (PTTOR)	Aviation fuel quality testing service	1. The Ministry of Finance is indirect major shareholder of BAFS and PTTOR. 2. Mr. Peratak Autadej, BAFS's Director, is PTTOR's authorized person.
2. Dhipaya Insurance Plc. (TIP)	Auto insurance and road accident victims protection	The Ministry of Finance is indirect major shareholders of BAFS and TIP.
3. Bangkok Insurance Plc. (BKI)	1. Fire insurance 2. Machine Installation Insurance 3. Other types of insurance such as employee health and accident insurance	M.R. Supadis Diskul, BAFS's director, is BKI's director.

5. Details of connected transactions between Intoplane Services Co., Ltd. (subsidiary) and persons who may have conflicts of interest

Names	Characteristics of Transactions	Relationship
1. Airports of Thailand PLC. (AOT)	Request for airport ID card issuance at Don Mueang International Airport and Suvarnabhumi Airport	1. The Ministry of Finance is BAFS's indirect major shareholder and AOT's major shareholder. 2. Mr. Nitinai Sirismatthakarn, BAFS's director, is AOT's director and executive.
2. Bangkok Airways PLC. (BA)	1. Air ticket purchase 2. Request for airport ID card issuance at Trat Airport	Mr. Puttipong Prasarttong-Osoth, BAFS's director, is BA's major shareholder

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31,2019 (VAT Excluded)	Continuation of Transactions
-	0.14 million Baht	0.17 million Baht	-
-	0.08 million Baht	-	Continued
- - -	0.08 million Baht 0.08 million Baht 0.06 million Baht	- - -	Continued - -

Unit Price	Total Amount of 2019 (VAT Excluded)	Balance as of December 31, 2019 (VAT Excluded)	Continuation of Transactions
-	0.002 million Baht	-	Continued
- -	0.008 million Baht 0.0009 million Baht	- -	- Continued

Summary of Opinions Concerning Connected Transactions with Persons who may have Conflicts of Interest for the Year 2019

The Board of Directors assigned the Audit Committee as an independent committee to review BAFS's connected transactions in order to ensure their compliance with laws and regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC).

In 2019, BAFS conducted connected transactions with persons who may have conflicts of interest under normal business conditions. BAFS's pricing policy for connected transactions was disclosed in the list of connected transactions with related companies shown in Notes to Financial Statements ended December 31, 2019.

Moreover, the Audit Committee attended the Board of Directors meeting on February 26, 2020, where the Board of Directors agreed with the Audit Committee's opinions that the connected transactions with persons who may have conflicts of interests were reasonable and beneficial to BAFS and its subsidiaries' business operations. Details are as follows:

1. Connected transactions between BAFS and persons who may have conflicts of interest

1.1 Thai Airways International Public Company Limited

BAFS provides aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang International Airport and Suvarnabhumi Airport. BAFS entered into contracts with user companies, of which their terms and conditions and service fee rates are similar to those of the transactions conducted with external parties. However, new fuel suppliers, which are not BAFS's shareholders, shall be charged for special service fees in accordance with the terms and conditions pursuant to the policy approved by the Board of Directors.

In accordance with the terms and conditions specified in the contracts, BAFS has collected considerations from the user companies for its aircraft refueling service at Don Mueang International Airport and transferred them to Airports of Thailand Public Company Limited, whereby BAFS does not have interest in those payments.

The Audit Committee viewed that such transactions were connected transactions, but they were necessary and highly beneficial to BAFS's business operations as they were normal business operations of aircraft refuelling service at Don Mueang International Airport and Suvarnabhumi Airport.

BAFS also provides customs formalities service for the companies choosing a comprehensive array of services free of charge. The Audit Committee viewed that such transactions were connected transactions, but they were additional services to facilitate user companies which were normal business support transactions and were beneficial to BAFS's business operations at Don Mueang International Airport and Suvarnabhumi Airport.

In addition, BAFS established a training center as a learning center on aviation fuel services for internal and external personnel whose works are relating to aviation fuel services. BAFS provides a program entitled "Aviation Fuel Quality Control for Airline Inspector" to Thai Airways International Public Company Limited's staff members. The Audit Committee viewed that such transactions were connected transactions, which were small normal business support transactions and beneficial to BAFS's business operation.

1.2 The Shell Company of Thailand Limited

BAFS provides aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang International Airport and Suvarnabhumi Airport and collects service fee from the Shell Company of Thailand Limited, similarly to the transactions conducted with Thai Airways International Public Company Limited. The Audit Committee viewed that such transactions were connected transactions, but they were necessary and highly beneficial to BAFS's business operations as they were normal business operations of aircraft refuelling service at Don Mueang International Airport and Suvarnabhumi Airport.

BAFS also provides customs formalities service for the companies choosing a comprehensive array of services free of charge. The Audit Committee viewed that such transactions were connected transactions, but they were made to facilitate user companies which were normal business support transactions and were beneficial to BAFS's business operations at Don Mueang International Airport and Suvarnabhumi Airport.

BAFS made an agreement to use fleet cards to pay for its vehicles' fuels, whereby Shell has charged fuel prices based on market prices. The Audit Committee viewed that such transaction was a connected transaction, but it was under general commercial conditions and beneficial to BAFS's business operations.

1.3 PTT Public Company Limited

1.4 PTT Retail Management Company Limited

BAFS made an agreement to use fleet cards to pay for its vehicles' fuels, whereby PTT and PTT Retail Management Co., Ltd. have charged fuel prices based on market prices. The Audit Committee viewed that such transactions were connected transactions, but they were under general commercial conditions and beneficial to BAFS's business operations.

1.5 PTT Oil and Retail Business Public Company Limited

BAFS provides aviation fuel storage, aircraft refuelling and defuelling services at Don Mueang International Airport and Suvarnabhumi Airport and collects considerations from PTT Oil and Retail Business Public Company Limited (PTTOR) for its aircraft refuelling service at Don Mueang International Airport, similarly to the transactions conducted with Thai Airways Public Company Limited and the Shell Company of Thailand Limited. The Audit Committee viewed that such transactions were connected transactions, but they were necessary and highly beneficial to BAFS's business operations as it was a normal business operation of aircraft refuelling service at Don Mueang International Airport and Suvarnabhumi Airport.

Furthermore, BAFS provides aviation fuel storage, aircraft refuelling and defuelling services at Samui, Sukhothai and Trat Airports where PTTOR is the sole company that transfers aviation fuel and aircraft refuelling products through the aircraft refuelling system to those airports and agrees to pay service fees to BAFS according to the specified rates and terms and conditions. The Audit Committee viewed that such transactions were connected transactions, but they were necessary and beneficial to BAFS's business operations at Samui, Sukhothai and Trat Airports.

BAFS made an agreement to use fleet cards to pay for its vehicles' fuels, whereby PTTOR has charged fuel prices based on market prices. The Audit Committee viewed that such transaction was a connected transaction, but it was under general commercial conditions and beneficial to BAFS's business operations.

1.6 PTT Digital Solutions Company Limited

BAFS made an agreement with PTT Digital Solutions Company Limited on mutually renting Microsoft products with free of charge. The Audit Committee viewed that such transaction was connected transaction, which was a normal business support transactions and beneficial to BAFS's business operation.

1.7 Airports of Thailand Public Company Limited

- **Don Mueang International Airport**

  BAFS made a fuel hydrant pipeline rental contract with Airports of Thailand Public Company Limited (AOT) to operate its into-plane service through underground fuel hydrant pipelines, which is a normal business operation for its aviation refuelling service at Don Mueang International Airport. BAFS shall pay fuel hydrant pipeline rental fees based on the rates specified in the contract, which shall be adjusted in accordance with the country's general consumer price index.

  In addition, in accordance with the terms and conditions specified in the contract, BAFS collects considerations from the user company for its aircraft refuelling service at Don Mueang International Airport and transfers them to AOT, whereby BAFS does not have interest in such payments.

  The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and highly beneficial to BAFS's business operations as it was a normal business operation of aircraft refuelling service at Don Mueang International Airport.

  BAFS also made a rental contract to use buildings and areas both inside and outside the apron at Don Mueang International Airport for its aircraft refuelling service system project implementation and parking area for its employees who work at the apron. The rental fee rates are similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary under general commercial conditions and highly beneficial to BAFS's business operations as it was a normal business operation of aircraft refuelling service at Don Mueang International Airport.

- **Suvarnabhumi Airport**

  BAFS entered into a 20-year into-plane service system project contract with AOT and was granted a license to operate its aircraft refuelling and defuelling services at Suvarnabhumi Airport, starting from September 28, 2006 which is the airport's official opening date. BAFS shall pay considerations rates which are similar to those of the transactions conducted with external parties as specified in the contract. BAFS shall also be obliged to comply with AOT's regulations.

  The Audit Committee viewed that such transaction was a connected transaction, but it was necessary under general commercial conditions and highly beneficial to BAFS's business operations as it was a normal business operation of aircraft refuelling service at Suvarnabhumi Airport.

  BAFS made a land rental contract for its construction sites of buildings and structures, located outside Suvarnabhumi Airport's apron, in support of its implementation of the 20-year into-plane service system project, starting from the airport's official opening date. The rental fee rates are similar to those of the transactions conducted with external parties. Also, BAFS made a rental contract to use rooms and areas inside Suvarnabhumi Airport's apron as its office, vehicle parking area and ground support equipment storage area. The rental fee rates are similar to those of the transactions conducted with external parties.

The Audit Committee viewed that such transactions were connected transactions, but they were necessary under general commercial conditions and highly beneficial to BAFS's business operations as they were normal business operations of aircraft refuelling service at Suvarnabhumi Airport.

BAFS has requested AOT to issue an airport ID card and a vehicle pass in order to allow access to AOT's restricted areas at Don Mueang International Airport and Suvarnabhumi Airport as well as provide public utilities service and other services inside the airports, which are additional services to facilitate BAFS's into-plane service operations. BAFS shall pay service fees at the same rate as those of the transactions conducted with external parties and be obliged to comply with the terms and conditions specified by AOT.

The Audit Committee viewed that such transaction was a connected transaction, but it was necessary under general commercial conditions and beneficial to BAFS's business operations as it was a normal business operation of aircraft refuelling service at Don Mueang International Airport and Suvarnabhumi Airport.

In addition, BAFS has provided information system development service to reinforce AOT's business continuity management, which supports BAFS's policy on an increase of other incomes. The Audit Committee viewed that such transaction was connected transactions, which was a normal business support transaction and beneficial to BAFS's business operations.

1.8 Bangkok Airways Public Company Limited

BAFS has rented radio communication equipment for its operations at Samui and Trat Airports from Bangkok Airways Public Company Limited (BA). In the meantime, BAFS has requested BA to issue an airport ID card and a vehicle pass at Samui, Sukhothai and Trat Airports to allow access to BA's restricted areas. BAFS shall pay service fees at the same rate as those of the transactions conducted with external parties and be obliged to comply with the terms and conditions specified by BA. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary under general commercial conditions and beneficial to BAFS's business operations as it was a normal business operation of aircraft refuelling service at Samui, Sukhothai and Trat Airports.

BAFS has purchased air tickets from BA to send its employees on regional assignments at Samui, Sukhothai and Trat Airports. The Audit Committee viewed that such transaction was a connected transaction, which was a normal business support transaction and beneficial to BAFS's business operations.

Moreover, BAFS entered into a long-term land rental contract with BA for the benefits of its business operations. The Audit Committee viewed that such transaction was a connected transaction, which was a normal business support transaction and beneficial to BAFS's business operations.

1.9 The Ministry of Finance

BAFS made a contract with the Ministry of Finance to rent state-owned buildings and land relating to buildings for the implementation of into-plane service system project and sublease space to Fuel Pipeline Transportation Limited and Thai Petroleum Pipeline Company Limited for its business operations. BAFS shall pay rental fees and be obliged to comply with the terms and conditions specified in the contract. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and highly beneficial to BAFS's business operations as it was a normal business operation of aircraft refuelling service at Don Mueang International Airport.

1.10 Thai Petroleum Pipeline Company Limited

- **Don Mueang Aviation Fuel Storage Station**

  BAFS entered into contracts with Thai Petroleum Pipeline Company Limited (THAPPLINE) for land rental and public utilities service at Don Mueang Aviation Fuel Storage Station. Such land is rented for construction of buildings and facilities for the receipt and distribution of aviation fuel that is transferred via THAPPLINE's fuel pipelines. THAPPLINE shall pay rental and service fees and be obliged to comply with the terms and conditions specified in the contracts, whereas such public utilities service excluded water supplied for fire fighting system, tap water and electricity consumptions. The rental and service fee rates shall be adjusted in accordance with the terms and conditions specified in the contracts. The Audit Committee viewed that such transactions were connected transactions, but they were rental contracts that BAFS had made with THAPPLINE for construction of buildings and facilities for the receipt and distribution of aviation fuel, which was necessary and highly beneficial to BAFS's business operations as it was a normal business operation of aircraft refuelling service at Don Mueang International Airport.

- **Suvarnabhumi Aviation Fuel Storage Station**

  BAFS entered into a land and building rental contract and a service contract with THAPPLINE for construction of THAPPLINE's buildings, structures and fuel pipeline transportation system equipment at Suvarnabhumi Aviation Fuel Storage Station. THAPPLINE shall pay rental fees and obliged to comply with the terms and conditions specified in the contracts. The rental and service fees shall be adjusted in accordance with the country's general consumer price index. The public utilities systems provided exclude water volume used in a sprinkler system, potable water and electricity consumption volume, which are charged on the basis of actual usage. The Audit Committee viewed that such transactions were connected transactions, but they were rental contracts that BAFS had made with THAPPLINE for construction of buildings, structures and fuel pipeline transportation system equipment, which were necessary and highly beneficial to BAFS's business operations as they were normal business operations of aircraft refuelling service at Suvarnabhumi Airport.

1.11 Dhipaya Insurance Public Company Limited

BAFS insured for all risks, third-party liability, property terrorism and auto and road accident victim protection with Dhipaya Insurance Public Company Limited. BAFS shall pay insurance premiums based on market prices and obliged to comply with the terms and conditions specified in the insurance policies insurance premiums based on market prices. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and beneficial to BAFS's business operation as it was executed in order to minimize risks and impact damage that may arise from BAFS's business operations.

1.12 Bangkok Insurance Public Company Limited

BAFS insured all risks, third-party liability, property terrorism and other types of insurance such as employee health and accident and liability from third-type control business with Bangkok Insurance Public Company Limited. BAFS shall pay insurance premiums based on market prices and obliged to comply with the terms and conditions specified in the insurance policies. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and beneficial to BAFS's business operations as it was executed in order to minimize risks and impact damage that may arise from BAFS's business operations.

1.13 NPC Safety and Environmental Service Company Limited

BAFS applied for a membership to use an audit database system to assess consistency with the law on occupational health and safety, energy and environment with NPC Safety and Environmental Service Company Limited (NPC S&E) in order to monitor laws, trainings and management systems. The service fee rates are similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but is was under general commercial conditions and beneficial to BAFS's business operations to ensure correct work practices and compliance with relevant laws.

BAFS hired NPC S&E to organize a training program on "On-Scene Commander" since NPC S&E is famous and widely recognized for its disaster and emergency management. The service fee rate was similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but it was under general commercial conditions which was beneficial to BAFS's business operations as BAFS had become aware of crises that may affect its business operations, while such training could enhance its operational efficiency during crises in a prompt manner.

Additionally, BAFS hired NPC S&E to organize BAFS' Safety Culture Day Exhibition which was a part of a campaign on employee automobile accidental reduction and reduction of other losses. The service fee rate was similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but it was under general commercial conditions and beneficial to BAFS's business operations as BAFS had become aware of safety and accidents may occur.

1.14 TMB Bank Public Company Limited

BAFS entered into a loan contract with TMB Bank Public Company Limited to generate fund for its capital increase for the Northern fuel pipeline transportation system of its subsidiary, Fuel Pipeline Transportation Company Limited and for financial transactions related to BAFS's business operations such as FX forwards. The Audit Committee viewed that such transaction was a connected transaction which was a normal business support transaction, but is was under general commercial conditions and beneficial to BAFS's business operations.

1.15 Sabai Sabai Sukhothai Company Limited

1.16 Sinsap Sukhothai Company Limited

BAFS used accommodation services provided by Sabai Sabai Sukhothai Company Limited and Sinsap Sukhothai Company Limited for arranging seminars to exchange opinions and enhance relationships among BAFS Group and customers. Sabai Sabai Sukhothai Company Limited and Sinsap Sukhothai Company Limited have appropriate venues to accommodate large numbers of participants and their service fee rates were similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transactions were connected transactions which were normal business support transactions and beneficial to BAFS's business operations.

1.17 Bangkok Dusit Medical Services Public Company Limited

BAFS sent its employees to get medical services such as return-to-work readiness assessments at Bangkok Dusit Medical Services Public Company Limited. Their service fee rates were similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transactions were connected transactions which were normal business support transactions and beneficial to BAFS's business operations.

2. Connected transactions between Thai Aviation Refuelling Company Limited (subsidiary) and persons who may have conflicts of interest

2.1 Thai Airways International Public Company Limited

Thai Aviation Refuelling Company Limited (TARCO) provides aviation fuel transportation service through hydrant pipelines at Suvarnabhumi Airport to Thai Airways International Public Company Limited. TARCO, BAFS and user companies entered into a mutual contract, of which its conditions and service fees are similar to those of the transactions conducted with external parties. BAFS entered into a fee collection service contract with TARCO in order to collect those service fees from the user companies for TARCO.

The Audit Committee viewed that such transactions were connected transactions, but they were necessary and highly beneficial to TARCO business operations as they were normal business operations of aviation fuel transportation service at Suvarnabhumi Airport.

2.2 The Shell Company of Thailand Limited

TARCO provides aviation fuel transportation service through hydrant pipelines at Suvarnabhumi Airport to the Shell Company of Thailand Limited (Shell). Detail of such transaction was similar to those that TARCO conducted with Thai Airways International Public Company Limited. The Audit Committee viewed that such transaction was connected transaction, but it was necessary and highly beneficial to TARCO's business operations as it was normal business operations of aviation fuel transportation system service at Suvarnabhumi Airport.

TARCO made an agreement to use fleet cards to pay for its vehicles' fuels, whereby Shell has charged fuel prices based on market prices. The Audit Committee viewed that such transaction was a connected transaction, but it was under general commercial conditions and beneficial to TARCO's business operations.

2.3 PTT Public Company Limited

TARCO made an agreement to use fleet cards to pay for its vehicles' fuels, whereby PTT Public Company Limited has charged fuel prices based on market prices. The Audit Committee viewed that such transaction was a connected transaction, but it was under general commercial conditions and beneficial to TARCO's business operations.

2.4 PTT Oil and Retail Business Public Company Limited

TARCO provides aviation fuel transportation service through hydrant pipelines at Suvarnabhumi Airport to PTT Oil and Retail Business Public Company Limited. Detail of such transaction was similar to those that TARCO conducted with Thai Airways International Public Company Limited and the Shell Company of Thailand Limited (Shell). The Audit Committee viewed that such transaction was connected transaction, but it was necessary and highly beneficial to TARCO's business operations as it was normal business operations of aviation fuel transportation system service at Suvarnabhumi Airport.

TARCO made an agreement to use fleet cards to pay for its vehicles' fuels, whereby PTTOR Public Company Limited has charged fuel prices based on market prices. The Audit Committee viewed that such transaction was a connected transaction, but it was under general commercial conditions and beneficial to TARCO's business operations.

2.5 Airports of Thailand Public Company Limited

TARCO was granted a license from Airports of Thailand Public Company Limited (AOT) to operate aviation fuel transportation service through hydrant pipelines at Suvarnabhumi Airport for a 30-year period, starting from the airport's official opening date on September 28, 2006. In accordance with the terms and conditions of licensing contract to operate aviation fuel transportation service through hydrant pipelines at Suvarnabhumi Airport, TARCO shall pay considerations at 2 percent per year of gross income before deducting expenses to AOT.

Later, AOT had developed the Suvarnabhumi Airport Development Plan Phase 2, whereby TARCO studied and designed its hydrant pipeline system phase 2. On September 16, 2010, TARCO submitted its conceptual design proposal to AOT for its further investment on hydrant pipeline system phase 2. At AOT's Board of Directors meeting on June 10, 2013, it was concluded that the hydrant pipeline service system phase 2 was part of such licensing contract. Therefore, to ensure completion of Suvarnabhumi Airport Development Plan Phase 2 within the specified timeframe according to the Cabinet Resolution, the AOT Board of Directors resolved that TARCO temporarily had carried out the hydrant pipeline system phase 2 at Suvarnabhumi Airport before an additional amendment to the licensing contract was signed.

Initially, TARCO and AOT signed a memorandum of understanding on September 23, 2013 in order to allow TARCO to start hydrant pipeline system phase 2 construction at Suvarnabhumi Airport. In case of any event that might cause cancellation, suspension, deferral or significant change of the project, resulting in a failure of contract signing, both parties shall discuss in good faith based on the provisions in the licensing contract and ensure TARCO's fairness to be compensated for its investment and other actual expenses. In the meantime, TARCO shall transfer such construction that was carried out and all assets to AOT or the Ministry of Finance or any other organization which AOT shall further notify to TARCO.

The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and highly beneficial to TARCO's business operations as it was a normal business operation of aviation fuel transportation system service at Suvarnabhumi Airport.

TARCO entered into a rental contract to use land at Suvarnabhumi Airport in order to place its equipment, hydrant pipelines and provide parking area for its into-plane vehicles and facilities, a rental contract to use rooms in the building as its office as well as a rental contract to use space inside the apron for vehicle parking and support equipment storage to facilitate its operations. The service fee rates are similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transactions were connected transactions, but they were necessary under general commercial conditions and highly beneficial to TARCO's business operations as they were normal business operations of aviation fuel transportation system service at Suvarnabhumi Airport.

TARCO has used AOT's other services such as car parking licenses and a security cards for individuals and vehicles to facilitate and/or be able to operate tasks in AOT's restricted areas at Suvarnabhumi Airport. TARCO has also used public utilities and other services within the airport such as tap water service for hydrant pipeline system phase 2 construction, which was an additional service provided by AOT for the operation of TARCO in aviation fuel transportation service within the airport. TARCO shall pay service fees at the same rate as those of the transactions conducted with external parties and obliged to comply with the terms and conditions specified by AOT. The Audit Committee viewed that such transaction was a connected

transaction, but it was necessary under general commercial conditions and beneficial to TARCO's business operations as it was a normal business operation of aviation fuel transportation system service at Suvarnabhumi Airport.

TARCO has its employees attend a training program on "Basic Fire Fighting", arranged by AOT which is famous and widely recognized for its disaster and emergency management. The service fee rates are similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but it was under general commercial conditions which was beneficial to TARCO's business operations as TARCO had become aware of crises that may affect its business operations, while such trainings could enhance its operational efficiency during crises in a prompt manner.

2.6 Bangkok Airways Public Company Limited

TARCO purchased air tickets from Bangkok Airways Public Company Limited for its trips to attend seminars organized to exchange opinions and enhance relationships among BAFS Group and customers. The service fee rates are similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction which was a normal business support transaction, but it was under general commercial conditions and beneficial to TARCO's business operations.

2.7 Dhipaya Insurance Public Company Limited

TARCO insured for all risks, third-party liability and property including hydrant pipeline system phase 2 construction with Dhipaya Insurance Public Company Limited. TARCO shall pay insurance premiums and obliged to comply with the terms and conditions specified in the insurance policies. The interest rates on insurance premiums charged to TARCO are based on market prices. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and beneficial to TARCO's business operations as they were executed in order to mitigate risks and impact damage that may arise from TARCO's business operations.

2.8 Bangkok Insurance Public Company Limited

TARCO insured for all risks, third-party liability, property and hydrant pipeline system phase 2 construction, including other types of insurance such as employee health and accident and auto and road accident victim protection with Bangkok Insurance Public Company Limited. TARCO shall pay insurance premiums based on market prices and obliged to comply with the terms and conditions specified in the insurance policies. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and beneficial to the TARCO's business operations as it was executed in order to minimize risks and impact damage that may arise from TARCO's business operations.

2.9 NPC Safety and Environmental Service Company Limited

TARCO applied for a membership to use an audit database system to assess consistency with the law on occupational health and safety, energy and environment with NPC Safety and Environmental Service Company Limited in order to monitor laws, trainings and management systems. The service fees are similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but is was under general commercial conditions and beneficial to TARCO's business operations to ensure correct work practices and compliance with relevant laws.

2.10 TMB Bank Public Company Limited

TARCO entered into a loan contract with TMB Bank Public Company Limited and requested for extending the loan disbursal period for the hydrant pipeline system phase 2 construction project at Suvarnabhumi Airport. The Audit Committee viewed that such transaction was a connected transaction which was a normal business support transaction, but it was under general commercial conditions and beneficial to TARCO's business operations.

3. Connected transactions between Fuel Pipeline Transportation Limited (subsidiary) and persons who may have conflicts of interest

3.1 The Shell Company of Thailand Limited

Fuel Pipeline Transportation Limited (FPT) provides aviation fuel and fuel transportation through multi-products underground pipelines to the Shell Company of Thailand Limited (Shell) from 3 oil supply sources including Bangchak oil refinery and depots of Shell and Chevron (Thailand) Company Limited (Chevron), located in Chongnonsi, to transfer aviation fuel to Don Mueang and Suvarnabhumi Aviation Fuel Storage Stations and further distribute such fuel to BAFS. Moreover, FPT transfers fuel to its depot located in Bang Pa-In, Phra Na Khon Si Ayutthaya Province. FPT conducted a transaction with Shell on aviation fuel and fuel transportation service as aforementioned. The terms and conditions and service fees are similar to those of the transactions conducted with external parties.

The Audit Committee viewed that such transactions were connected transactions, but they were necessary and highly beneficial to FPT's business operation as FPT is the provider of aviation fuel and fuel transportation service through pipeline systems to those aviation fuel storage stations and depots.

FPT also made a contract with Shell for oil reserves services as required by the law at Bang Pa-In Depot and Phichit Depot. This transaction supports FPT's core business. The service terms and conditions and fees are based on market prices. The Audit Committee viewed that such transaction was a connected transaction, but it was a transaction that supported the government's policy and was beneficial to FPT.

In addition, FPT provides sales office management service at Bang Pa-In Depot and Phichit Depot to Shell, where the fuel distribution offices for customers, service stations and industrial sectors are located. FPT's service fees charged to Shell are calculated from volumes of fuel distributed from Bang Pa-In Depot and Phichit Depot. The Audit Committee viewed that such transaction were connected transactions, but they were services to facilitate Shell's operations which were beneficial to FPT's business operations at Bang Pa-In Depot and Phichit Depot.

Furthermore, FPT made an office rental contract in order to use it as its office for road loading documentation at Phichit Depot. Service conditions and fees are similar to those of the transactions that FPT conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but it was a rental contract to facilitate Shell's operations which was beneficial to FPT's business operations at Phichit Depot.

3.2 PTT Public Company Limited

FPT made a land sublease contract with PTT Public Company Limited (PTT) in order to set up a natural gas transmission system. Sublease fees that FPT charges to PTT are actual rental fee amount that FPT pays to the State Railway of Thailand plus its operating cost for 5.5%. The Audit Committee viewed that such transaction was a connected transaction, but it was beneficial to FPT's business operations and did not cause benefit transfer as it was a rental contract for PTT to undertake an NGV transmission pipeline project with construction and installation of natural gas pipeline to use natural gas as an alternative energy.

3.3 PTT Oil and Retail Business Public Company Limited

FPT has provided aviation fuel and fuel transportation service through underground pipeline systems as well as specified conditions and collected service fees from PTT Oil and Retail Business Public Company Limited (PTTOR), similarly to the transactions conducted with Shell. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and highly beneficial to FPT's business operations as FPT is the provider of aviation fuel and fuel transportation service through underground pipeline systems to those aviation fuel storage stations and oil depots.

FPT made an office rental contract in order to use it as its office for road loading documentation at Bang Pa-In Depot. Service conditions and fees are similar to those of the transactions that FPT conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but it was a rental contract to provided a facility to PTTOR which was beneficial to FPT's business operations at Bang Pa-In Depot.

3.4 PTT Natural Gas Distribution Company Limited

FPT made a contract with PTT Natural Gas Distribution Company Limited (PTT NGD) to provide its natural gas pipeline service. Such pipelines are old fuel pipelines that were no longer used by FPT. FPT specifies service terms and conditions and fees which are calculated from residual value of assets in book value and volume of natural gas that is transported. This transaction helps adding value to FPT's non-performing assets. The Audit Committee viewed that such transaction was a connected transaction, but it was beneficial to FPT's business operations as it optimized FPT's existing assets.

3.5 Airports of Thailand Public Company Limited

FPT made a land rental contract with Airports of Thailand Public Company Limited (AOT) for the outside areas along the airport's fence in the Suvarnabhumi Airport area. Such land rental is for laying aviation fuel transportation pipelines transferring aviation fuel from refineries to BAFS' Suvarnabhumi Aviation Fuel Storage Station. The rental fees are at the same rate as those of the transactions that AOT conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and highly beneficial to FPT's business operations as normal business operation for laying underground pipelines to receive aviation fuel from user customers and transfer it to BAFS' Suvarnabhumi Aviation Fuel Storage Station is FPT's normal business operation.

3.6 Nok Airlines Public Company Limited

FPT purchased air tickets from Nok Airlines Public Company Limited (NOK) to send its employees on assignment at the Northern fuel pipeline transportation project. The air ticket fees are similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, which was a normal business support transaction, but it was under general commercial conditions and beneficial to FPT's business operations.

3.7 Dhipaya Insurance Public Company Limited

FPT insured for all risks, third-party liability, auto insurance and road accident victim protection and fire insurance for fuel system testing in the Northern fuel pipeline transportation system phase 1 project with Dhipaya Insurance Public Company Limited. The insurance premiums are based on market prices. FPT shall pay insurance premiums and obliged to comply with the terms and conditions defined in the insurance policies. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and beneficial to the FPT's business operations as they were executed in order to minimize risks and impact damage may arise from FPT's business operations.

3.8 Bangkok Insurance Public Company Limited

FPT insured for all risks, third-party liability, fire insurance for fuel system testing in the Northern fuel pipeline transportation system phase 1 project and other types of insurance such as liability for third-type control business - Bang Pa-In Depot, Bangchak - Bang Pa-In Fuel Transportation Pipeline Project, Phichit Depot and Lampang Depot, property, employee health and accident, auto and protection of road accident victim protection, mobile phone and radio communication equipment with Bangkok Insurance Public Company Limited. FPT shall pay insurance premiums based on market prices and obliged to comply with the terms and conditions specified in the insurance policies. The Audit Committee viewed that such transactions were connected transactions, but they were necessary and beneficial to the FPT's business operations as they were executed in order to minimize risks and impact damages that may arise from FPT's business operations.

3.9 NPC Safety and Environmental Service Company Limited

FPT applied for a membership to use an audit database system to assess consistency with the law on occupational health and safety, energy and environment with NPC Safety and Environmental Service Company Limited to monitor laws, trainings and management systems. The service fees are similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transaction was a connected transaction, but it was under general commercial conditions and beneficial to FPT's business operations to ensure correct work practices and compliance with relevant laws.

4. Connected transactions between BAFS INTECH Company Limited (subsidiary) with persons who may have conflicts of interest

4.1 PTT Oil and Retail Business Public Company Limited

BAFS INTECH Company Limited (BAFS INTECH) has used an aviation fuel quality testing service provided by PTT Oil and Retail Business Public Company Limited for testing quality and system of aviation refuelling vehicles before delivering them to its customers. BAFS INTECH shall pay for service fees which are similar to those of the transactions conducted with external parties. The Audit Committee viewed that such transactions were connected transactions, but they were necessary under general commercial conditions and beneficial to BAFS INTECH's business operations.

4.2 Dhipaya Insurance Public Company Limited

BAFS INTECH insured for auto and road accident victim protection with Dhipaya Insurance Public Company Limited. BAFS INTECH shall pay insurance premiums based on market prices and obliged to comply with the terms and conditions specified in the insurance policies. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and beneficial to BAFS INTECH's business operations as it was executed to minimize risks and impact damage that may arise from BAFS INTECH's business operations.

4.3 Bangkok Insurance Public Company Limited

BAFS INTECH insured for fire machine installation and other types of insurance such as employee health and accident with Bangkok Insurance Public Company Limited. BAFS INTECH shall pay insurance premiums based on market prices and obliged to comply with the terms and conditions specified in the insurance policies. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary and beneficial to BAFS INTECH's business operations as it was executed to minimize risks and impact damage that may arise from BAFS INTECH's business operations.

5. Connected transactions between Intoplane Services Company Limited (subsidiary) and persons who may have conflicts of interest

5.1 Airports of Thailand Public Company Limited

Intoplane Services Company Limited (IPS) has requested AOT to issue an airport ID card to allow access to AOT's restricted areas at Don Mueang International Airport and Suvarnabhumi Airport. IPS shall pay service fees at the same rate as those of the transactions conducted with external parties and obliged to comply with the terms and conditions specified by AOT. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary under general commercial conditions and beneficial to IPS's business operations.

5.2 Bangkok Airways Public Company Limited

IPS has purchased air tickets from Bangkok Airways Public Company Limited (BA) to have its employees working at Samui Airport attend training programs at Don Mueang International Airport. The Audit Committee viewed that such transaction was a connected transaction, which was a normal business support transaction and beneficial to IPS's business conditions.

Moreover, IPS has requested BA to issue an airport ID card at Trat Airport to allow access to BA's restricted areas. IPS shall pay service fees at the same rate as those of the transactions conducted with external parties and obliged to comply with the terms and conditions specified by BA. The Audit Committee viewed that such transaction was a connected transaction, but it was necessary under general commercial conditions and beneficial to IPS's business operations.

Measure or Procedure for Connected Transaction Approval

Measure or Procedure for Connected Transaction Approval

BAFS stipulated procedure for connected transactions with persons, who may have conflicts of interests, including information disclosure of such connected transactions to fulfill requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The explicit procedure guidelines have been updated consistently in accordance with the SET and the SEC's regulations. In case any connected transaction has to be approved by the shareholders' meeting or BAFS's Board of Directors, such transaction shall be considered and screened firstly by the independent Audit Committee. In the event that the Audit Committee renders different comment from the Board's comment on such transaction, BAFS will disclose detail of their different comments as well. For any approval of connected transaction, BAFS takes into account maximum benefits of its business operation including fairness, reasonability of transaction in accordance with market price and normal commercial terms. In addition, as defined in BAFS's Articles of Association, director who has interest on any matter is not entitled to participate in its approval.

In addition, BAFS's Board of Directors approved on principles of trade agreement with general commercial terms in transactions between the Company and its subsidiaries with their directors, executives or relevant persons in order to enable BAFS to operate pursuant to Section 89/12 (1) of the Securities Exchange Act (No. 4) B.E. 2551.

Policy and Tendency of Connected Transactions in the Future

BAFS imposed connected transaction policy in compliance with regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Company also determined terms and conditions for connected transactions in consistent with fair prices and commercial terms without transfer of benefits to and among the Company, its subsidiaries and shareholders. Considering its nature of business, this is providing inclusive aviation fuel service, together with its shareholding structure that comprised of the Thai Airways International PLC., Bangkok Airways Public Co., Ltd., the Airports of Thailand PLC. and many oil companies; therefore, BAFS has a tendency to process connected transactions with persons/other business enterprises, which can cause potential conflicts in the future. However, every connected transaction is reasonable, necessary and beneficial to BAFS's business operation as well as occurs from normal business operations of into-plane services at the main and regional airports including Don Mueang, Suvarnabhumi, Samui, Sukhothai and Trat as well. BAFS will disclose connected transactions list in its notes to the financial statements that are audited by BAFS's auditor in accordance with accounting standards stipulated by the Federation of accounting professions.

Furthermore, BAFS has prepared all risk insurance, legal liability insurance to third parties and property insurance from terrorism with the Dhipaya Insurance PLC. and Bangkok Insurance Public Co., Ltd. to cover risks and reduce impact from damages which may occur from its transactions that are beneficial to BAFS's normal business operations.

Disclosure of Connected Transactions made during the Past 3 Years

Shareholders and/or investors can study and compare information relating to connected transactions for 3-year period in the Annual Registration Statement (Form 56-1) and the Annual Report which the Company has published in www.bafsthai.com, topic : “Investor Relations”.

BANGKOK AVIATION FUEL SERVICES PUBLIC COMPANY LIMITED

Head Office
171/2 Kamphaeng Phet 6 Rd., Don Mueang,
Don Mueang, Bangkok 10210
Tel : 0 2834 8900
Fax : 0 2834 8999

Suvarnabhumi Branch
99 Moo 10, Soi Lad Krabang 54, Srisa Jorakhanoi,
Bang Saothong, Samut Prakarn 10570
Tel : 0 2326 3800
Fax : 0 2326 3888

www.bafsthai.com

AR 2019 Online