



ASIA'S BOUTIQUE AIRLINE



ANNUAL REPORT 2019

Bangkok Airways Public Company Limited



more than
50 Years

Bangkok Airways

On path to sustainable
development



Starting Point

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

1968

Bangkok Airways

The Company started to operate scheduled flights under Bangkok Airways banner and on 20 January 1986 to operate inaugural flights on three routes, Bangkok-Nakorn Rajsimma, Bangkok-Surin and Bangkok-Krabi, using 18-seat Bandeirante EMB-110.

1986

1984

Sahakol Air

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

1989

Samui Airport

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

Sukhothai Airport

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

1998



Public Company Limited

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



2013



Boeing 717-200

A new type of aircraft was added to the company's fleet to increase potential for flight operation - the Boeing 717-200 can fly faster and has more seat capacity. Construction of a hanger at Don Muang Airport started at the same time.

Royal Garuda Emblem 2007

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

2007



2000

2002

Member of IATA

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



2003

Trat Airport. Transfer operation to Suvannabhumi Airport.

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

- WFS-PG Cargo
- BAC
- BFS Ground





Contents

06

Message from
the Chairman and
CEO

08

General Information

10

Summary Consolidated
Financial and Ratio

11

Corporate Structure
of the Company

12

Our Subsidiaries and
Associated Companies

14

Board of Directors

18

Biography of Board of
Directors

32

Policy and
Business Overview

45

Business Operations

69

Marketing and
Competition

78

Risk Factors

93

Company
Organization Chart

94

Management
Structure

122

Report of the
Nomination and
Remuneration
Committee

128

Annual Change of
the Directors and
management's
holding

130

Capital Structure



131

Dividend Policies of
the Company and
Subsidiaries

132

Corporate
Governance

136

Report of the Corporate
Governance Committee

138

The Company's
Corporate Social
Responsibility

147

Anti-Corruption
Policy

149

The Internal
Control and the Risk
Management

154

Report of
Audit Committee

157

Related Parties
Transaction

170

Management's
Discussion and
Analysis

194

Independent
Auditor's Report

201

Statement of financial
position

284

Contact Directory





MESSAGE FROM THE CHAIRMAN AND CEO 2019



A handwritten signature in white ink, appearing to read "Kaset Rojananil".

Air Chief Marshal Kaset Rojananil
The Chairman

A handwritten signature in white ink, appearing to read "Puttipong Prasarttong-Osoth".

Mr. Puttipong Prasarttong-Osoth
CEO & President

It was another year with a great pride for us in 2019 as The Company was bestowed upon the world-class distinctions of “The World’s Best Regional Airline for 2019” and “Asia’s Best Regional Airline for 2019” from SKYTRAX for the fourth year running. These awards are evident to our dedication in leveraging the service standard with utmost priority on safety.

With the recession of the world’s economy that continues to take effect, the travel industry has been directly impacted. Thai Baht becomes strong against the world’s key currencies. The airline business, therefore, got subsequently affected by travelers diverting their destinations instead of coming to Thailand. However, The Company still focuses on developing our service in many aspects such as shifting the previous reservation system to Amadeus, changing several flight operation support systems for examples, flight control system, flight planning system, crew management system, and organization development system (SAP-ERP). Moreover, The Company has also invested in other relevant businesses such as establishing a new subsidiary: Bangkok Air Aviation Training Center Co. Ltd. (BATC) This new company aims to provide flight training service expected to open for business in 2020. Meanwhile, the Joint-Ventured companies: Bangkok Flight Services Co., Ltd. and Bangkok Air Catering Co., Ltd; have also expanded their business. With the current operations at Suvarnabhumi Airport, Phuket Airport, and Samui Airport; Bangkok Air Catering has recently opened another facility at Chiang Mai Airport as well.

Furthermore, The Company has entered additional codeshare agreement with Turkish Airline by emphasizing on expanding the route network that responds to the needs of passengers and other airline partners. The Company also opened

new flight routes such as Bangkok – Cam Ran (Vietnam), Chiang Mai – Krabi, and Chiang Mai – Luang Prabang (Laos). Of late, The Company also added flight frequency routing Bangkok – Danang (Vietnam) to two daily flights.

On the Corporate Social Responsibility front, The Company has joined the Market Governance Promotion Initiative in Celebration of the Auspicious Occasion of His Majesty the King’s Coronation with the Securities and Exchange Commission (SEC) to follow the royal initiative on the self-sufficient economy by running business with responsibility and considering the benefits it may have on society and environment to foster the country’s sustainable growth towards the future.

On behalf of the committee, management and all staffs, I’d like to thank our clients, business partners, and the shareholders who have always supported us and believe in The Company’s business operation. The Company is determined to provide service with utmost safety for passengers, on-duty staffs, as well as those involved in all flight operations. We also abide to the good governance principle in running business. All management and staffs are prompted to devotedly perform our duty in order to achieve Asia’s leading airline status aspired in our vision: “Striving towards excellence, as the best airline of Asia”

General Information

Company Name:	Bangkok Airways Public Company Limited (the “Company”)		
Initial:	BA		
Registration Number:	0107556000183		
Core Business:	<p>The Company’s core business are</p> <ol style="list-style-type: none"> 1. Passengers airline business including freight domestically and internationally 2. Establishment of public airport and/or operate and manage public airport, rent out space including other activities relating to the establishment and operation of airport 		
Registered Capital and Issued and Fully Paid-up:	2,100,000,000 Baht		
Head Office:	99 Mu 14 Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok 10900		
Telephone: (66) 2 265 5678	Fax: (66) 2 265 5775	Website: www.bangkokair.com	

Investor Relations:		
Telephone: (66) 2 265 8796-97	Fax: (66) 2 265 5727	Website: ir@bangkokair.com

Shares Registrar:	Thailand Securities Depository Co., Ltd		
	93 The Stock Exchange of Thailand Building, Ratchadapisek Road, Dindang, Bangkok 10400, Thailand		
Telephone: (66) 2 009 9000	Fax: (66) 2 009 9991	Website: http://www.set.or.th/tsd	

Company’s Auditor:	EY Office Limited		
	33rd Floor, Lake Rajada Office Complex, 193/136-137 Ratchadapisek Road, Klongtoey, Bangkok 10110		
Telephone: (66) 2 264 9090	Fax: (66) 2 264 0789-90	Website: www.ey.com	

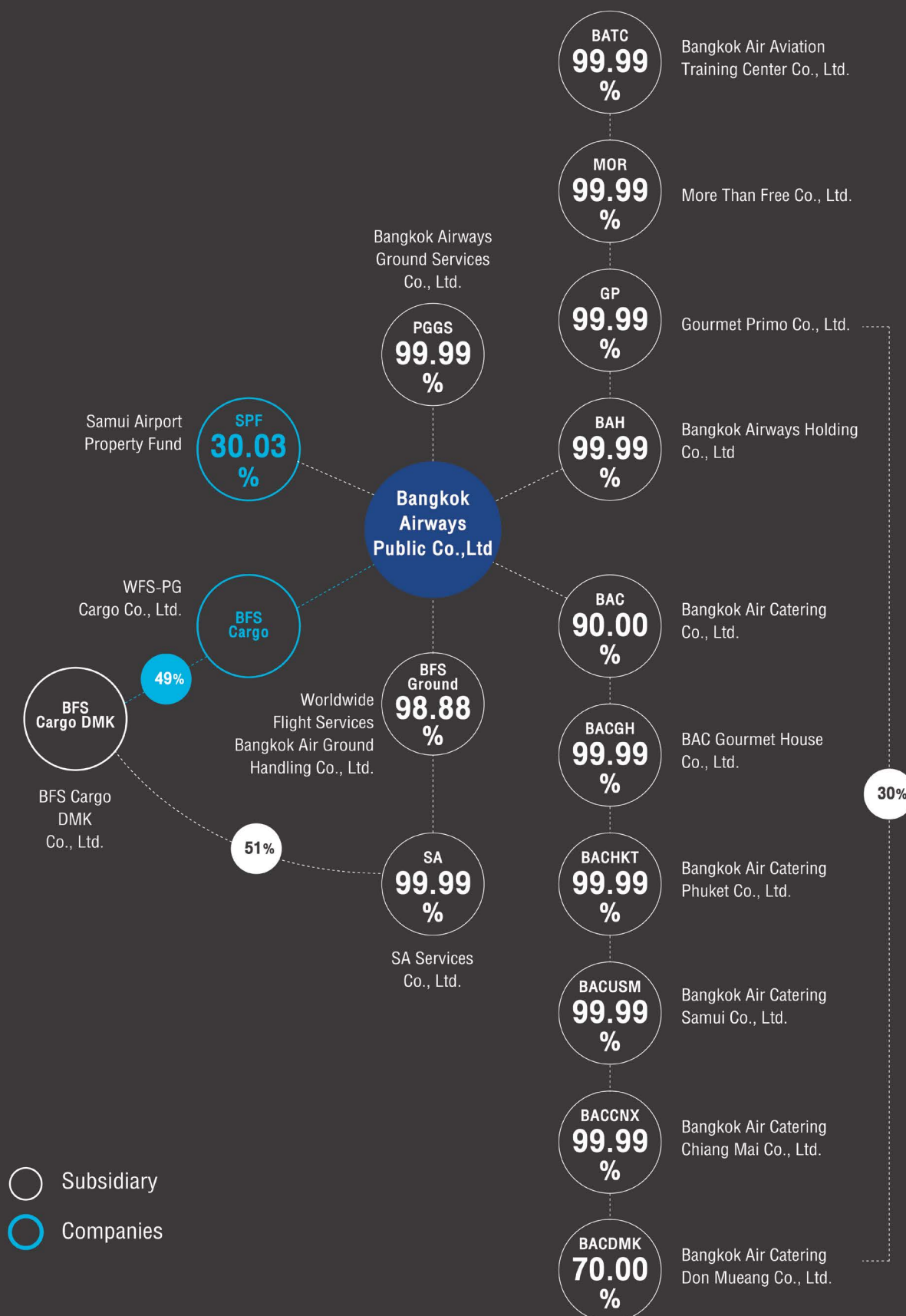


Summary Consolidated Financial and Ratio

Unit: THB million
Year End December 31st 2019

		2019	2018	2017
Statements of Financial Position	Total Assets	61,908	62,067	57,942
	Total Liabilities	31,903	31,289	29,556
	Total Shareholder's Equity	30,005	30,778	28,386
Statement of comprehensive Income	Revenue from airline business	19,064	20,475	20,491
	Sales and service income	4,350	4,082	3,848
	Total Revenue	28,609	27,944	28,493
	EBITDAR	2,620	4,041	4,283
	Profit for the year	357	264	846
Shareholder's Equity	Registered and Paid up Shares (Million share)	2,100	2,100	2,100
	Book Value (Baht)	14.3	14.7	13.5
	Earnings Per Share (Baht)	0.2	0.1	0.4
Liquidity Ratio	Current Ratio (Time)	1.4	1.4	1.7
	Quick Ratio (Time)	3.8	4.3	3.5
	Collection Period (Day)	24.2	24.4	25.6
	Stock Turnover Period (Day)	8.5	8.2	6.9
	Payment Period (Day)	33.5	34.2	34.3
Profitability Ratio	Gross Profit Margin (%)	6.8	11.2	11.4
	Operating Profit Margin (%)	(1.5)	4.4	3.5
	EBITDAR Margin (%)	10.2	15.1	16.3
	Net profit Margin (%)	1.2	0.9	3.0
	Return on Equity (%)	1.2	0.9	2.8
Efficiency Ratio	Return on Assets (%)	0.6	0.4	1.4
	Return on Fixed Assets (%)	11.4	11.0	15.5
	Asset Turnover (Time)	0.5	0.5	0.5
Leverage Ratio	Debt to Equity (Time)	1.1	1.0	1.0
	Interest Leverage Ratio (Time)	0.6	1.3	1.2

Corporate Structure of the Company, Our Subsidiaries and Associated Companies as of December 31, 2019



Our Subsidiary and Associated Companies

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

Initial	Company	Core Business	Paid-up capital (THB million)
Subsidiary Companies			
BAC	Bangkok Air Catering Co., Ltd.	Catering service provider at Suvarnabhumi International Airport	500.00
BACGH	BAC Gourmet House Co., Ltd. ⁽¹⁾	Restaurant	150.00
BACHKT	Bangkok Air Catering Phuket Co., Ltd. ⁽¹⁾	Catering service provider at Phuket International Airport	100.00
BACUSM	Bangkok Air Catering Samui Co., Ltd. ⁽¹⁾	Catering service provider at Samui International Airport	20.00
BACCNX	Bangkok Air Catering Chiang Mai Co., Ltd. ⁽¹⁾	Catering service provider at Chiang Mai International Airport	10.00
BACDMK	Bangkok Air Catering Don Mueang Co., Ltd.	Catering service provider at Don Mueang International Airport	20.00
BFS Ground	Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground service provider at Suvarnabhumi International Airport	670.00
SA	SA Services Co., Ltd. ⁽²⁾	Ground service provider at the Don Mueang International Airport	1.00
BFS Cargo DMK	BFS Cargo DMK Co., Ltd. ⁽²⁾	Cargo service provider at Don Mueang International Airport	25.00
BAH	Bangkok Airways Holding Co., Ltd	Holding Company	1,001.00
GP	Gourmet Primo Co., Ltd. (GP) ⁽³⁾	Whole sale pre-cut fresh food	115.75
MOR	More Than Free Co., Ltd. ⁽³⁾	Duty Free	20.00
BATC	Bangkok Air Aviation Training Center Co., Ltd ⁽³⁾	Aviation Training Center	20.00
PGGS	Bangkok Airways Ground Services Co. Ltd.	Ground service provider at Samui International Airport	0.25
Associated Companies			
BFS Cargo	WFS-PG Cargo Co., Ltd.	Cargo service provider at Suvarnabhumi International Airport	300.00
SPF	Samui Airport Property Fund	Investing in the holding of a 30-year lease of Samui International Airport	9,208.10

Remark:

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

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

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



Board of Directors



Air Chief Marshal Kaset Rochananil



Mr. Puttipong Prasarttong-Osoth



Pol.Lt.Gen Visanu Prasattongosoth



Mr. Sripop Sarasas



Mr. Pradit Theekakul



General Vichit Yathip



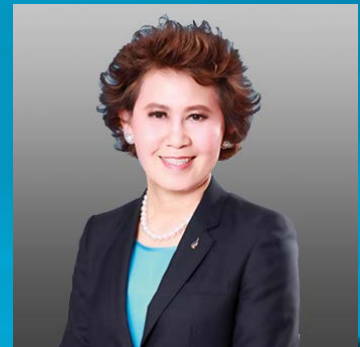
Board of Directors



Mr. Somboon Kittiyasub



Mr. Somboon Kittiyasub



Mrs. Narumol Noi-Am



Mrs. Ariya Prasarttong-Osoth



Mr. Anawat Leelawatwatana

Executive Committee



Mr. Puttipong
Prasarttong-Osoth



Mr. Pradit Theekakul



Mr. Anawat Leelawatwatana

Audit Committee



Mr. Sripop Sarasas



General Vichit Yathip



Mr. Saharatna Benyakul

Nomination & Remuneration Committee



General Vichit Yathip



Mr. Sripop Sarasas



Mr. Somboon Kittiyasub

Corporate Governance Committee



Mr. Somboon Kittiyasub



Mr. Saharatna Benyakul



Mrs. Ariya Prasarttong-Osoth

Biography of Board of Directors

Air Chief Marshal Kaset Rochananil



Age	86 years
Position	Chairman / Independent Director
Date of Appointment as a Director	9 June 1998
Education	<ul style="list-style-type: none"> - Bachelor Degree of Science, The Royal Thai Air Force Academy - Diploma, National Defence College, The National Defence College (TNDC) Class 26
Work Experience	<ul style="list-style-type: none"> - Chairman, Thai airways PLC. (1989-1992) - Supreme Commander (April-July 1992) - Airforce Commander-in-Chief (1989-1992)
Training Courses	None
Board Member/Management in Other Listed Company	None
Position in Other Company/Organization/Institution	None
Shareholdings (Ordinary Shares) (as at March 13, 2019)	<ul style="list-style-type: none"> - Held Personally: (700,000) - Held by Spouse or Minor Children: (None)
Family Relationship among Directors	None

Mr. Puttipong Prasarttong-Osoth



Age	55 Years
Position	Vice Chairman / Member of Executive Director / President
Date of Appointment as a Director	24 June 1997
Education	<ul style="list-style-type: none"> - Bachelor Degree of Accounting, Chulalongkorn University - Diploma Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Diploma, National Defence College, The Joint State - Private Sector College Class 54
Board Member/Management in Other Listed Company	<ul style="list-style-type: none"> 1. Director, Bangkok Aviation Fuel Services PLC. 2. Director, Bangkok Dusit Medical Services PLC.
Position in Other Company/Organization/Institution	<ul style="list-style-type: none"> 1. Chairman, Bangkok Air Ground Services Co., Ltd. 2. Chairman, Bangkok Air Catering Phuket Co., Ltd. 3. Chairman, Bangkok Air Catering Samui Co., Ltd. 4. Chairman, BAC Gourmet House Co., Ltd. 5. Chairman, Gourmet Primo Co., Ltd. 6. Chairman, Bangkok Air Catering Co., Ltd. 7. Chairman, Bangkok Air Catering Chiangmai Co., Ltd. 8. Chairman, WFS-PG Cargo Co., Ltd. 9. Chairman, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd. 10. Director, Bangkok Airways Holding Co., Ltd. 11. Director, Bangkok Media and Broadcasting Co. Ltd. 12. Director, The Sahakol Estate Co., Ltd. 13. Director, Aeronautical Radio of Thailand Co., Ltd. 14. Director, Fuel Pipeline Transportation Co., Ltd. 15. Director, Samui Accompany Co. Ltd.
Training Courses	<ul style="list-style-type: none"> - Directors Accreditation Program (DAP) 100 / 2013 Thai Institute of Directors (IOD) - Directors Certification Program (DCP) 241 / 2017 Thai Institute of Directors (IOD) - Boards that Make a Difference (BMD) 9 / 2019 Thai Institute of Directors (IOD)
Shareholdings (Ordinary Shares) (as at March 13, 2019)	<ul style="list-style-type: none"> - Held Personally: (523,387,900) - Held by Spouse or Minor Children: (800,000)
Family Relationship among Directors	Brother of Mrs. Ariya Prasarttong-Osoth and cousin of Pol.Lt. Gen. Visanu Prasattongosoth

Pol.Lt.Gen Visanu Prasattongsoth



Age	57 Years
Position	Director
Date of Appointment as a Director	30 January 2003
Education	<ul style="list-style-type: none"> - Bachelor Degree of Arts (Economics), Vanderbilt University, USA - Master of Political Sciences, Sukhothai Thammathirat University - MBA, University of San Francisco, USA - Senior Executive Program, Capital Market Academy (CMA) Class 2 - Diploma, National Defence College, The National Defence College (TNDC) Class 53 - Federal Bureau Investigation (FBI) National
Board Member/Management in Other Listed Company	1. Independent Director / Chairman of the Audit Committee Finansia Syrus Securities PCL.
Position in Other Company/Organization/Institution	<ul style="list-style-type: none"> 1. Assistant Commission - General, Royal Thai Police 2. Director Thai Kodama Co., Ltd.
Training Courses	<ul style="list-style-type: none"> - Director Accreditation Program (DAP) 11 / 2004 Thai Institute of Directors (IOD) - Audit Committee Program (ACP) 7 / 2005 Thai Institute of Directors (IOD) - Finance for Non-Finance Director (FND) 19 / 2005 Thai Institute of Directors (IOD) - Corporate Governance for Capital Market Intermediaries (CGI) 3 / 2015 Thai Institute of Directors (IOD) - Advance Audit Committee Program (AACP) 20 / 2015 Thai Institute of Directors (IOD)
Shareholdings (Ordinary Shares) (as at March 13, 2019)	<ul style="list-style-type: none"> - Held Personally: (300,000) - Held by Spouse or Minor Children: (None)
Family Relationship among Directors	Nephew of Mr.Prasert Prasarttong-Osoth and cousin of Mr.Puttipong Prasarttong-Osoth and Mrs. Ariya Prasarttong-Osoth

Mr. Sripop Sarasas



Age	63 Years
Position	Director / Independent Director / Chairman of The Audit Committee/ Chairman of the Nomination and Remuneration Committee
Date of Appointment as a Director	26 February 2013
Education	<ul style="list-style-type: none"> - Bachelor degree of Science Program in Medical Technology, Chulalongkorn University - Master of MBA (Finance), University of Southern California , USA
Board Member/Management in Other Listed Company	<ol style="list-style-type: none"> 1. Director / Member of Nomination and Remuneration Committee / Member of Corporate Governance Committee / Member of Risk Management Committee / Chief Administrative Officer, Bangkok Dusit Medical Services PLC. 2. Independent Director / Member of the Nomination and Remuneration Committee / Member of the Audit Committee, Advanced Information Technology PCL. 4. Independent Director / Chairman of the Audit Committee Golden Lime PCL. 5. Independent Director / Chairman of the Audit Committee Kiattana Transport PCL.
Position in Other Company/Organization/Institution	<ol style="list-style-type: none"> 1. Director, Parute (2008) Co., Ltd. 2. Director, Khan Co., Ltd. 3. Director, BDMS Property Management Co., Ltd. 4. Director, BDMS Training Co., Ltd.
Training Courses	<ul style="list-style-type: none"> - Directors Certification Program (DCP) 22 / 2002 Thai Institute of Directors (IOD) - Audit Committee Program (ACP) 1 / 2004 Thai Institute of Directors (IOD)
Shareholdings (Ordinary Shares) (as at March 13, 2019)	<ul style="list-style-type: none"> - Held Personally: (None) - Held by Spouse or Minor Children: (None)
Family Relationship among Directors	None

Remark: Mr. Sripop Sarasas was appointed to the Chairman of the Nomination and Remuneration Committee on May 23rd, 2019 following the 05/2019 Board of Directors meeting.

Mr. Pradit Theekakul



Age	61 Years
Position	Director / Member of Executive Director / Executive Vice President – Corporate Administration and Corporate Portfolio
Date of Appointment as a Director	24 July 1997
Education	<ul style="list-style-type: none"> - Bachelor Degree of Law, Chulalongkorn University - Bachelor Degree of Political Science, Ramkhamhaeng University - The Thai Barrister
Board Member/Management in Other Listed Company	<ol style="list-style-type: none"> 1. Authorized Director / Executive Director / Member of Risk Management Committee / Member of Corporate Governance Committee, Bangkok Dusit Medical Services PLC. 2. Director, Samitivej PCL. 3. Director, Thonburi Medical Centre PLC.
Position in Other Company/Organization/Institution	<ol style="list-style-type: none"> 1. Chairman, Royal Bangkok Healthcare Co., Ltd. 2. Chairman, A.N.B. Laboratories Co., Ltd. 3. Chairman, Bangkok Save Drug Co., Ltd. 4. Chairman, Save Drug Centre Co., Ltd. 5. Chairman, BDMS Training Co., Ltd. 6. Director, Prasitpatana PCL. 7. Director, Thai Medical Center PCL. 8. Director, Siam Medical Co., Ltd. 9. Director, BDMS Accounting Co., Ltd. 10. Director, BDMS Property Management Co., Ltd. 11. Director, BDMS Wellness Clinic Co., Ltd. 12. Director, BDMS Wellness Resort Co., Ltd. 13. Director, Paolo Medic Co., Ltd. 14. Director, Paolo Samutprakarn Co., Ltd. 15. Director, Phyathai 1 Hospital Co., Ltd. 16. Director, Phyathai 2 Hospital Co., Ltd. 17. Director, Phyathai 3 Hospital Co., Ltd. 18. Director, Sriracha Nakorn Hospital PLC. 19. Director, Bangkok Air Catering Co., Ltd. 20. Director, Bangkok Airways Holding Co., Ltd.

	21. Director, Thai Petroleum Service Co., Ltd. 22. Director, Bangkok Golden Life Co., Ltd. 23. Director, Paradise Shopping Co., Ltd. 24. Director, Bangkok Hospital Chiangmai Co., Ltd. 25. Director, National Healthcare Systems Co., Ltd. 26. Director, WFS-PG Cargo Co., Ltd. 27. Director, Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd. 28. Director, The one enterprise Co., Ltd. 29. Director, The Sahakol Estate Co., Ltd. 30. Director, Bangkok Helicopter Services Co., Ltd. 31. Director, General Hospital Products PLC. 32. Director, Samui Palmbeach Resort Co., Ltd.
Training Courses	Directors Certification Program (DCP) 29 / 2003 Thai Institute of Directors (IOD)
Shareholdings (Ordinary Shares) (as at March 13, 2019)	- Held Personally: (9,000,000) - Held by Spouse or Minor Children: (None)
Family Relationship among Directors	None

General Vichit Yathip



Age	73 Years
Position	Director / Independent Director / Chairman of Nomination and Remuneration / Member of Audit Committee
Date of Appointment as a Director	30 January 2003
Education	<ul style="list-style-type: none"> - Bachelor Degree of Science, Chulachomklao Royal Military Academy - Master of Public Administration Degree, Bangkokthonburi University
Board Member/Management in Other Listed Company	<ul style="list-style-type: none"> 1. Consultant, Tipco Asphalt PCL. 2. Independent Director / Chairman of the Audit Committee, ThreeSixtyFive PCL. 3. Independent Director / Member of the Audit Committee, Vanachai Group PCL.
Position in Other Company/Organization/Institution	1. Director, Sing Sian Yer Pao Co., Ltd.
Training Courses	<ul style="list-style-type: none"> - Leader Program, Capital market academy, The stock Exchange of Thailand 7 / 2008 - Audit Committee Program (ACP) 29 / 2009 Thai Institute of Directors (IOD) - Directors Certification Program (DCP) 105 / 2008 Thai Institute of Directors (IOD) - Role of the Chairman Program (RCP) 18 / 2008 Thai Institute of Directors (IOD) - Directors Accreditation Program (DAP) 104 / 2014 Thai Institute of Directors (IOD)
Shareholdings (Ordinary Shares) (as at March 13, 2019)	<ul style="list-style-type: none"> - Held Personally: (300,000) - Held by Spouse or Minor Children: (None)
Family Relationship among Directors	None

Remark: General Vichit Yathip resigned the position of the Director, Chairman of Nomination and Remuneration and Member of Audit Committee on May 6th, 2019.

Mr. Saharatna Benyakul



Age	55 Years
Position	Director / Independent Director / Member of Audit Committee / Member of Corporate Governance Committee
Date of Appointment as a Director	7 January 2015
Education	- Bachelor degree of Public Administration, Chulalongkorn University - Master of MBA Texas A&M International University, USA
Board Member/Management in Other Listed Company	None
Position in Other Company/Organization/Institution	1. Director, Sukumvit Asset Co, Ltd.
Training Courses	- Director Accreditation Program (DAP) 30 / 2005 Thai Institute of Directors (IOD) - Directors Certification Program (DCP) 131 / 2010 Thai Institute of Directors (IOD) - Corporate Governance for Capital Market Intermediaries (CGI) 18 / 2017 Thai Institute of Directors (IOD) - Boards that Make a Difference (BMD) 9 / 2019 Thai Institute of Directors (IOD)
Shareholdings (Ordinary Shares) (as at March 13, 2019)	- Held Personally: (None) - Held by Spouse or Minor Children: (None)
Family Relationship among Directors	None

Mrs. Narumol Noi-Am



Age	62 Years
Position	Director
Date of Appointment as a Director	25 December 2014
Education	<ul style="list-style-type: none"> - Bachelor Degree of Economic (second class honors) Faculty of Economics, Chulalongkorn University - Master of MBA (Banking and Finance) from North Texas State, USA
Board Member/Management in Other Listed Company	<ol style="list-style-type: none"> 1. Chief of Financial Officer, Bangkok Dusit Medical Service PCL. 2. Director, Samitivej PCL.
Position in Other Company/Organization/Institution	<ol style="list-style-type: none"> 1. Chairman, Bangkok Health Insurance PLC. 2. Chairman, BDMS Accounting Co., Ltd. 3. Chairman, Bangkok Premier Insurance Broker Co., Ltd. 4. Director, Thai Listed Company Association 5. Director, Prasitpatana PCL. 6. Director, Sriracha Nakorn General Hospital PCL. 7. Director, Thai Medical Center PCL. 8. Director, Siam Medical Co., Ltd. 9. Director, Bangkok Pattaya Hospital Co., Ltd. 10. Director, Bangkok Phuket Hospital Co., Ltd. 11. Director, Phyathai 1 Hospitals Co., Ltd. 12. Director, Phyathai 2 Hospitals Co., Ltd. 13. Director, Phyathai 3 Hospitals Co., Ltd. 14. Director, Paolo Medic Co., Ltd. 15. Director, Paolo Samutprakan Co., Ltd. 16. Director, Phnom Penh Medical Services Co., Ltd. 17. Director, National Health care system Co., Ltd. 18. Director, BDMS Wellness Clinic Co., Ltd. 19. Director, BDMS Wellness Resort Co., Ltd. 20. Director, Bangkok Media and Broadcasting Co. Ltd.

Training Courses	<ul style="list-style-type: none"> - Directors Certification Program (DCP) 107 / 2008 Thai Institute of Directors (IOD) - Successful Formulation & Execution of Strategy (SFE) 6 / 2010 Thai Institute of Directors (IOD) - Senior Executives in Business and Industrial Development Class 3 Institute of Business and Industrial Development: IBID - Leader Program Capital Market Academy Class 15 by Capital Market Academy (CMA) The Stock Exchange of Thailand - TLCA Leadership Development Program “Enhancing Competitiveness” by Thai listed Companies Association & IMD - Advanced Certificate Course in Politics and Government in Democratic Systems for Executives, class 13 by King Prajadhipok’s Institute - Financial Executive Development Program Class 12 by the Thai Institute of Banking and Finance for Executives from financial institutions - Applied International Management Program, Sweden by Government of Sweden
Shareholdings (Ordinary Shares) (as at March 13, 2019)	<ul style="list-style-type: none"> - Held Personally: (350,000) - Held by Spouse or Minor Children: (50,000)
Family Relationship among Directors	None

Mr. Anawat Leelawatwatana



Age	53 Years
Position	Director / Member of Executive Director/ Senior Vice President – Finance and Accounting
Date of Appointment as a Director	25 April 2016
Education	<ul style="list-style-type: none"> - Bachelor degree of Science Program in Agronomy, Kasetsart University - Master of MBA Cleveland State University, USA
Board Member/Management in Other Listed Company	None
Position in Other Company/Organization/Institution	<ul style="list-style-type: none"> 1. Director Bangkok Air Catering Co., Ltd. 2. Director Bangkok Air Catering Phuket Co., Ltd. 3. Director Bangkok Air Catering Samui Co., Ltd. 4. Director Bangkok Air Catering Chiangmai Co., Ltd. 5. Director BAC Gourmet House Co., Ltd. 6. Director Gourmet Primo Co., Ltd. 7. Director, Bangkok Airways Holding Co., Ltd. Director Bangkok Media & Broadcasting Co., Ltd. 6. Director Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.
Training Courses	<ul style="list-style-type: none"> - Directors Certification Program (DCP) 50 / 2004 Thai Institute of Directors (IOD) - Company Secretary Program (CSP) 60 / 2014 Thai Institute of Directors (IOD) - Fake news and Violation of Accounting Standard Federation of Accounting Professions under the Royal Patronage of His Majesty The King 1/2019
Shareholdings (Ordinary Shares) (as at March 13, 2019)	<ul style="list-style-type: none"> - Held Personally: (293,000) - Held by Spouse or Minor Children: (None)
Family Relationship among Directors	None

Mrs. Ariya Prasarttong-Osoth



Age	53 Years
Position	Director / Member of Corporate Governance Committee / Member of Nomination and Remuneration
Date of Appointment as a Director	25 April 2016
Education	- Bachelor Degree of Management, Assumption Business Administration College - Master of Marketing, National University, USA
Board Member/Management in Other Listed Company	None
Position in Other Company/Organization/Institution	1. Director The Sahakol Estate Co., Ltd. 2. Director Bangkok Air Tour (1998) Co., Ltd. 3. Director Bangkok Travel Club Co., Ltd. 4. Director Samui Palm Beach Resort Co., Ltd. 5. Director Samui Accom Co., Ltd. 6. Director Fah Thai Holiday Co., Ltd. 7. Director, Paradise Shopping Co., Ltd.
Training Courses	- Directors Certification Program (DCP) 193 / 2014 Thai Institute of Directors (IOD) - TLCA Executive Development Program, Thai Listed Companies Association - Diploma, National Defence College, The National Defence Course Class 58 - Corporate Governance for Capital Market Intermediaries (CGI) 20 / 2018 Thai Institute of Directors (IOD) - Board Matters and Trends (BMT) 6 / 2018 Thai Institute of Directors (IOD) - Ethical Leadership Program (ELP) 14/2019 Thai Institute of Directors (IOD)
Shareholdings (Ordinary Shares) (as at March 13, 2019)	- Held Personally: (243,440,900) - Held by Spouse or Minor Children: (None)
Family Relationship among Directors	None

Remark: Mrs. Ariya Prasarttong-Osoth was appointed to the Member of Nomination and Rumination Committee on May 23rd, 2019 following the 5/2019 Board of Directors meeting.

Mr. Somboon Kittiyasub



Age	61 Years
Position	Director / Independent Director / Chairman of Corporate Governance Committee / Member of Nomination and Remuneration / Member of Audit Committee
Date of Appointment as a Director	25 April 2016
Education	- Bachelor of Law Degree, Chulalongkorn University - Master of Comparative Laws, The University of Laws, USA
Board Member/Management in Other Listed Company	None
Position in Other Company/Organization/Institution	1. Director, Somboon and Partner Co., Ltd. 2. Director, Advocate Holding Co., Ltd. 3. Director, Plenty Gourmets Holding Pty Ltd.
Training Courses	- Director Accreditation Program (DAP) 130 / 2016 Thai Institute of Directors (IOD) - Corporate Governance for Capital Market Intermediaries (CGI) 18 / 2017 Thai Institute of Directors (IOD) - Director Certification Program (DCP) 259 / 2018 Thai Institute of Directors (IOD)
Shareholdings (Ordinary Shares) (as at March 13, 2019)	- Held Personally: (None) - Held by Spouse or Minor Children: (None)
Family Relationship among Directors	None

Remark: Mr. Somboon Kittiyasub was appointed to the Member of Audit Committee on May 23rd, 2019 following the 05/2019 Board of Directors meeting.



Policy and Business Overview



In 2019, The Company's Committee set The Company's vision and mission that is appropriate and relevant to The Company's business operation. Regularly, there's an annual revision to ensure that The Company's vision and mission are up-to-date and consistent with the current economic situation.

Vision

Striving on excellence to become the best airline in Asia

Mission

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

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



Corporate Policy

1. Corporate Management

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

2. Human Resources

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

3. Corporate Competitiveness

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

4. Corporate Social Responsibility

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



History and Corporate Milestone

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

We officially commenced scheduled passenger flight services in 1986 under our current name “Bangkok Airways”. In 1989, we completed construction of our first airport, located in Samui, an island in the Gulf of Thailand, which was beginning to be developed as an international tourist destination. We obtained an International Air Transport Association (“IATA”) code, “**PG**”, and commenced operations of our Samui Airport. In

addition, we also received approval to fly our first route, Bangkok—Samui. In 1994, we became an IATA Clearing House member. In the same year, we added two ATR 72 to our fleet.

In 1998, we commenced operations of our second airport in Sukhothai. In 2000, we put our first Boeing 717-200 into operations. The Boeing 717-200 jet aircraft provided higher speeds and more seat capacity so we could increase capacity and reduce flight frequency. This also allowed us to expand our capacity on routes to and from Samui. In the same year, we commenced operations of our first hangar located in the Don Mueang International Airport. We also became a member of the IATA Billing and Settlement Plan (“**BSP**”). Being a member of the IATA BSP allows us to drive additional passenger sales and provides us with



direct access to a distribution network of IATA. In 2002, we received full IATA membership which means that we upgraded our operations in adherence to the international commercial aviation standards under IATA Operational Safety Audit (“IOSA”), such membership entitles us to voting rights in respect of the fare adjustment process.

In 2003, we commenced operations of our third airport in Trat.

As of 31 December 2019, the Company has a registered capital of 2,100,000,000 Baht, comprised ordinary shares of 2,100,000,000 shares, with a par value of 1 Baht per share, and the paid up capital of 2,100,000,000 Baht.



Milestones Awards since 2015 to 2019



- The company won **Asia Pacific Regional Airline of The Year** from CAPA (Center for Asia Pacific Aviation). This recognition is given to the airline that is recognised as the market leader in tactically and strategically responding to the constantly changing market environment.
- The company was ranked second in **the World's Best Regional Airline** and **the Best Regional Airline in Asia** from Skytrax.
- The company was ranked the world's Top Ten Airline – Worldwide and ranked 5th for the Best in Cabin Service – Worldwide from the smarttravelsia.com; which is a leading travel website of Asia that carried out surveys from millions of tourists around the world under the topic “**Best in Travel 2015**”.
- The company was ranked 24th among other top 50 airlines with the best performance in terms of revenue surveyed by the Airfinance Journal from the UK.



- The company was ranked in the first place in **the World's Best Regional Airline** and **the Best Regional Airline in Asia** from Skytrax.
- The company was ranked the world's Top Ten Airline – Worldwide and ranked 4th for the Best in Cabin Service – Worldwide from the smarttravelsia.com; which is a leading travel website of Asia that carried out surveys from millions of tourists around the world under the topic “**Best in Travel 2016**”.



- Bangkok Airways Public Company Limited won **the World's Best Regional Airline** and **the Best Regional Airline in Asia** from SKYTRAX World Airline Award 2017.
- Bangkok Airways Public Company Limited won **the Boutique Airline Award for the Best Full-Service Carrier in Asia Pacific** from the Air Transport Award 2017 by the Transport News Magazine, a leading magazine in transport and logistics industry from the UK. The award winners were considered by a judging committee, a satisfaction survey of the Transport News' website members, and experts in the transport industry. This year's Air Transport Award was organized in an honor of companies or individuals that have shown an outstanding business performance.
- Bangkok Airways Public Company Limited won **the Annual Best Travel Brand in 2017** by Smart Travel Asia. This achievement includes winning in three award categories namely **Top Ten Airline Overall – Worldwide**, **Top Five Best in Cabin Service – Worldwide**, and **Top Ten Airport – Worldwide**. Smart Travel Asia is an Asia's leading website and online magazine about tourism. The annual survey for the tourism and service category was conducted from opinions of multi-million tourists from around the world.

- Bangkok Airways Public Company Limited won **the Best Regional Airline in 2017** by the 28th TTG Travel Awards, an annual award bestowed in an honor of individuals and corporates in the tourism industry that demonstrated outstanding business performance in various categories throughout the Asia Pacific Region.



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



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



Overview

As of 31 December 2019, we operated scheduled flights on 16 domestic routes covering major cultural and leisure destinations in Thailand such as Phuket, Chiang Mai, Krabi, and Samui. In addition, we operated scheduled flights on 19 international routes to destinations including Myanmar, Laos, Cambodia, Malaysia, Singapore, India, the Maldives, Vietnam and China. Through our code-share and other cooperative arrangements, we are able to

extend our reach to passengers originating from destinations including Europe, South Asia, the Middle East and Japan.

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



We target markets that are less than a five-hour flight time from our hubs, which give us access to passengers travelling to and from Southeast Asia and South Asia, including India. We believe that Thailand's growing economy provides an attractive market in which we can increase passenger growth as an increasing proportion of the Thai population

are able to access air transport. We also believe that our premium, quality services, strong culture of hospitality and access to unique cultural and leisure destinations differentiates us from other competing airlines.

Route Network


We put emphasis on market development and route network expansion. We focus on increasing flight frequency and introducing new routes. At the same time, to maintain our market position and strengthen our route network, we continuously seeks for new code share partners to reach out all target groups.

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

Table presented number of aircraft

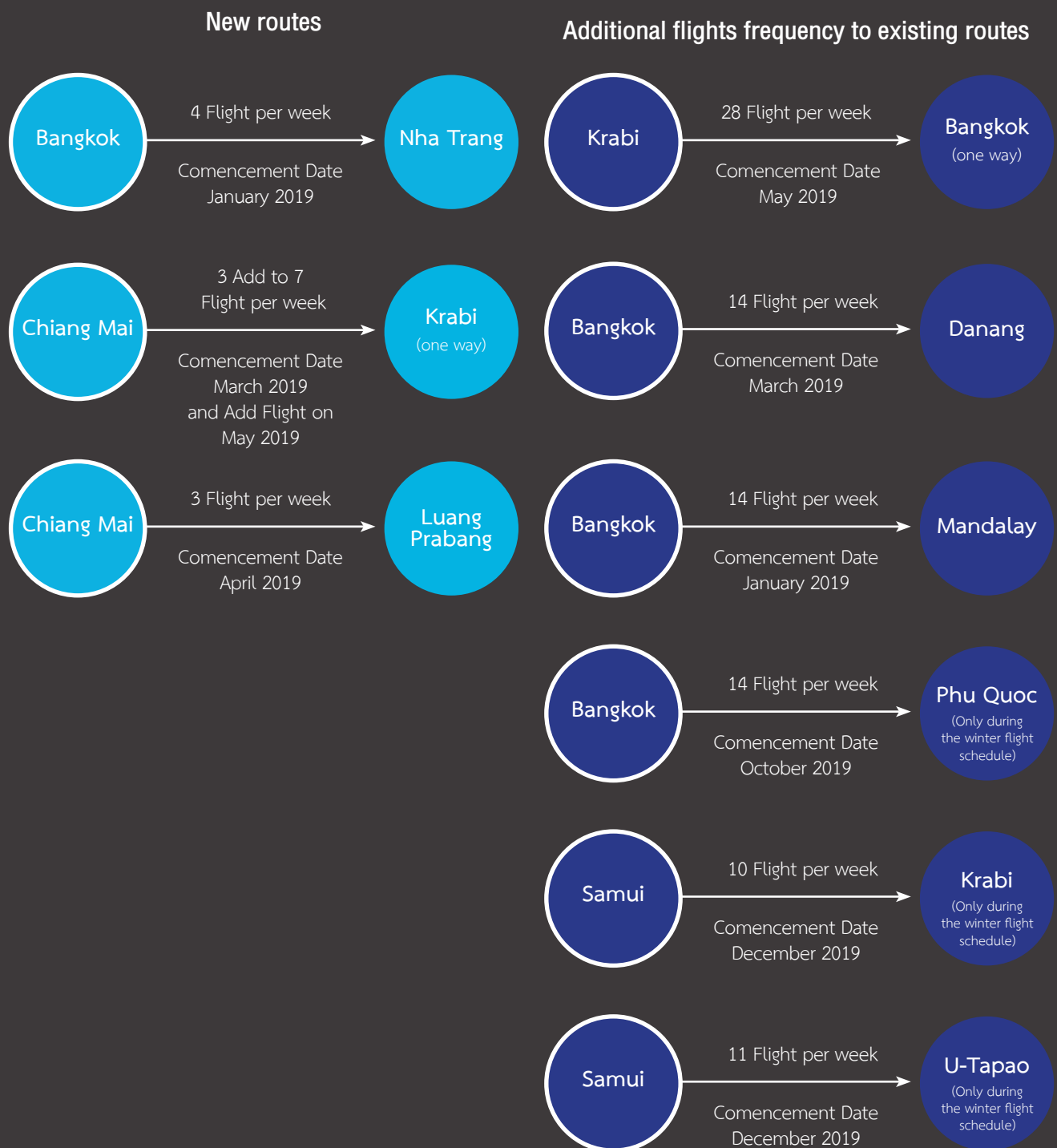
as of end of Year 2019 and Year 2018

2018	5	11	15	9	40
	ATR 72-500	ATR 72-600	Airbus A319	Airbus A320	Total
2019	2	13	16	9	40




New destinations and additional flights frequency

In 2019, we expanded route network to enhance current operating destinations. With this concept, company can create new products and optimize our resources. New routes and additional flight frequencies were presented as below;



Cancelled operate Phuket- Chiang Mai (one way) since May 2019 and Chiang Mai-Hanoi since October 2019



Product Development and Service

Passenger lounges at the airports

The company provides lounge service to passengers on both domestic and international departure at several airports such as the Suvarnabhumi International Airport, Samui International Airport, Phuket International Airport, Krabi International Airport, Chiang Mai International Airport, Chiang Rai International Airport, Luang Prabang International Airport, and Phnom Penh International Airport. In 2019, “the Company” has revamped the service and menu including new facilities and amenities for the convenience and impressive experience for our passengers.

Menu service for both in flights and at the passenger lounge

The Company has revised the menu in accordance with the government’s tourism promotion policy by adapting the Thai dishes with local ingredients under the concept of “**Boutique Street Food**”. The Company also serves special festive desserts on all domestic and international routes.



Bangkok Airways introduces its Domestic Passenger Lounges & International Passenger Lounges at Suvarnabhumi Airport.

The lounges were neatly designed with the airlines identity “boutique” touches. Bangkok Airways Lounges is divided to Boutique Lounge and Blue Ribbon Lounge.

Passengers of Bangkok Airways departing on international flights can now enjoy these brand new lounges from today onwards.

For more information,
please visit website: www.bangkokair.com
or Call center 1771 (24 hours).

Partnership through alliance airlines

In 2019, there are altogether 27 airlines who entered code-share agreement with Bangkok Airways which are:



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

Business Operations

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

Revenues from Core Businesses	2019		2018	
	Baht (Million)	Percentage	Baht (Million)	Percentage
<i>Revenues from Airlines</i>				
Passenger Revenue	18,516.1	64.7	19,708.8	70.5
Freight revenue	201.8	0.7	216.5	0.8
Charter flights and charter services revenue	346.0	1.2	550.1	2.0
Total revenues from Airlines	19,063.9	66.6	20,475.4	73.3
<i>Revenues from Airport-related services</i>				
Revenues from BFS Ground	2,391.4	8.4	2,167.6	7.7
Revenues from PGGS	349.8	1.2	367.1	1.3
Revenues from BAC	1,024.0	3.6	1,048.8	3.8
Others	585.1	2.0	498.8	1.8
Total revenues from Airport-related services	4,350.3	15.2	4,082.3	14.6
<i>Revenues from Airports</i>				
Passenger service charge	547.3	1.9	598.1	2.1
Total revenues from Airports	547.3	1.9	598.1	2.1
<i>Other revenues</i>				
Dividend income	577.3	2.0	418.6	1.5
Gain on sales of investments in securities and subsidiaries	-	-	164.7	0.6
Interest income	104.4	0.4	114.1	0.4
Gain on sale of investment	1,990.8	7.0	384.8	1.4
Other income	1,975.2	6.9	1,705.6	6.1
Total other revenues	4,647.7	16.3	2,787.8	10.0
Total Revenue	28,609.2	100.0	27,943.6	100.0



Products and services

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

1. Airline Passenger Services

Scheduled Flights

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

Route Network

As of 31 December 2019, we operated a route network (“PG Route Network”) covering 28 scheduled destinations (excluding Bangkok) in 11 countries (including Thailand). Additionally, with destinations covered in our code-share arrangements extended our route network to cover 27 international destinations in 19 countries (excluding Thailand).

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

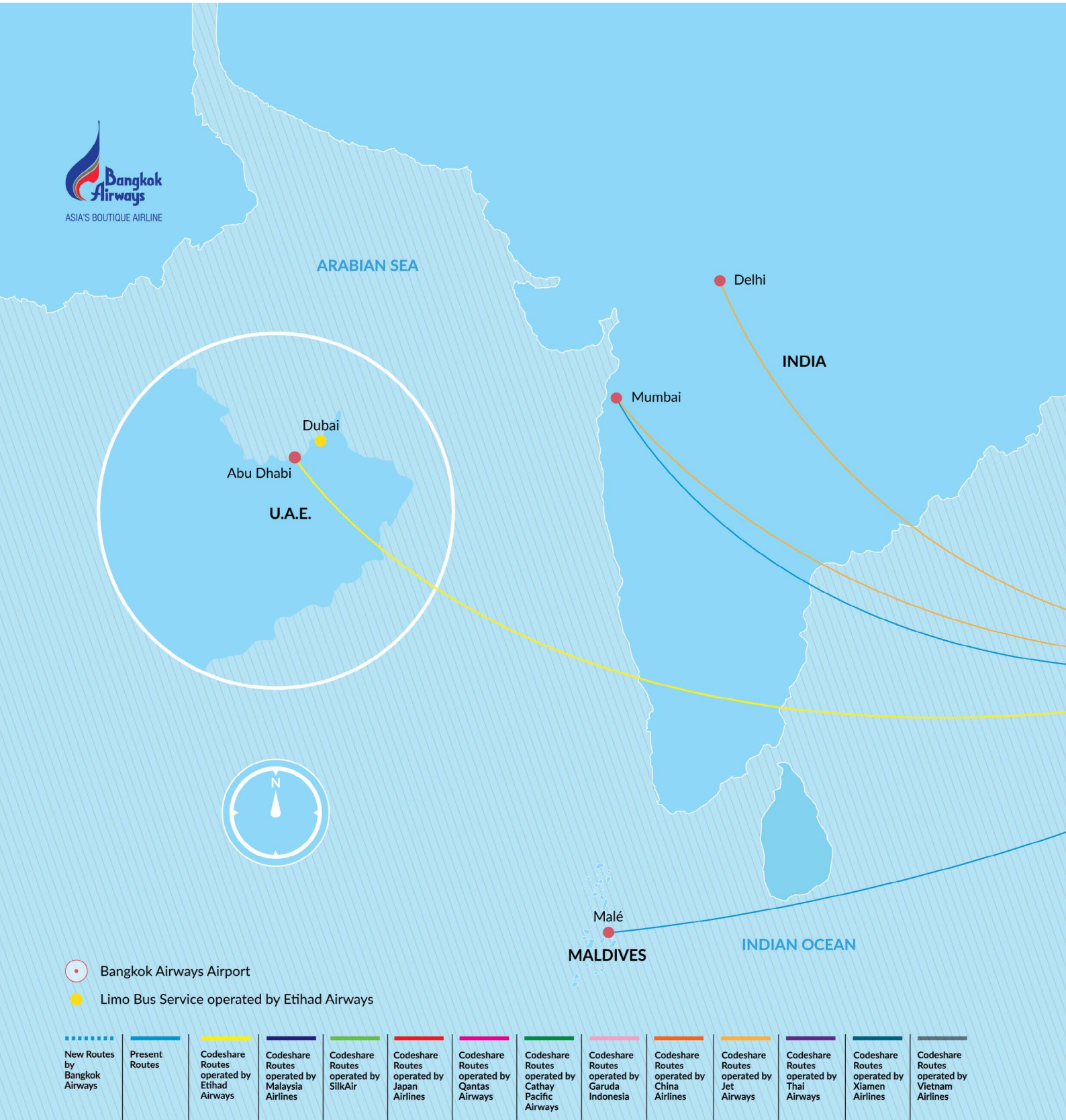
Our International and Domestic Routes

“The map below illustrates our international and domestic routes as of December 31, 2019”



Our International and Domestic Routes

“The map below illustrates PG operating routes including our code-share network as of December 31, 2019”



Information is correct at the time of printing - March 2018



Airline Cooperation Arrangements

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

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

Through our hubs at Suvarnabhumi International Airport and Samui International Airport, we are able to provide efficient same airport transfer for passengers of our code-share and interline flights and to connect them to regional and domestic destinations that are part of our PG Route Network.

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

Airline Operation

1. Our Fleet

As of 31 December 2019, we had an operating fleet of 40 passenger aircraft, with details shown in table below.

Aircraft Model	Total	Finance Lease	Operating Lease	Owned
Airbus A320	9	-	9	-
Airbus A319	16	-	16	-
ATR 72-500	2	-	-	2
ATR 72-600	13	9	-	4
Total	40	9	25	6



2. Route Planning

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

We cooperate with the DCA in seeking additional air traffic rights under new or existing air services agreements. Our ability to expand our route network and to increase frequency and capacity is subject to our ability to obtain sufficient traffic rights and time slots to these destinations.

The principal factors considered in adding a new route to our existing route network or increasing the frequency of flights on an existing route are aircraft availability and projected passenger and cargo load factors, profitability of the route and contribution to traffic on other routes.

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

3. Flight Scheduling

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

4. Flight Operations

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

5. Our Flight Operation Hubs

Bangkok Flight Operation Hub and Facilities

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

Our primary flight operation hub is based at the Suvarnabhumi International Airport, which is Thailand's principal international and largest airport in terms of the number of aircraft movements and passenger volume. According to the statistics of the Department of Tourism, the in and out traffic of Suvarnabhumi International Airport in 2019 was recorded at 64.71 million passengers, a 3% increase from 2018. This figure consists of 52.7 million international passengers and 12 million domestic passengers. The Airports of Thailand has deployed the Advance Passenger Processing System or APPS to prevent any international terrorist attacks as well as to heighten security within the airport to conform to the safety measurements issued by the International Civil Aviation Organization (ICAO)

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

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

Samui Hub and Facilities

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

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

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

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

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

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

Chiang Mai Hub and Facilities

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

6. Chartered Passenger Services

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

7. Aircraft Maintenance

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

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

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

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

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

1. Light maintenance which includes A Checks and B Checks
2. Line maintenance which includes C Checks and D Checks
3. Change of aircraft equipment according to its useful life

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

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

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

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

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

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

8. Privileges under BOI Certificates

Airline Operations

We have obtained BOI Certificates for airline operations under Investment Promotion Act B.E. 2520 (as amended). Tax privileges under the BOI Certificates include (i) corporate income tax exemption for net profit for a period of eight years from the date of first income derived from such activity; (ii) import duties exemption for machines; (iii) dividend tax exemption for each project throughout the period of corporate income tax exemption; and if we suffer losses from the operation of the relevant aircraft during the period of corporate income tax exemption, we are permitted to deduct such losses from the net profits incurred after the period of corporate income tax exemption for a period of not exceeding five years, whereby we may choose to deduct such losses from the net profit of any one year or several years. Non-tax privileges include the permission to import skill non-Thai experts/technicians in amounts and period as deemed appropriate by the Thai Board of Investment (the "BOI").

As of December 31, 2019, we have obtained 11 BOI Certificates under which the corporate income tax exemption for 38 aircraft of which 28 aircraft has been utilized under BOI certificates. The remaining BOI Certificates allow us to exercise tax exemption for 1 aircraft.

2. Airport-related Businesses

Apart from airline services and airport services, we also provide airport-related services including cargo terminal services, ground and passenger services and in-flight catering services to our flights and those of other airlines through our subsidiaries and associated companies as follows:

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

Ground Services

Our ground services include passenger services and ground support equipment services. At the Suvarnabhumi International Airport, BFS Ground provides ground support equipment services for our own scheduled and chartered domestic and international flights, and also both passenger and ground support equipment services on a contract basis for other airlines. Worldwide Flight Services

Holding S.A. (“WFS”) provides certain services to BFS Ground, which include monitoring and evaluating the quality of the operational services, marketing the services and facilities of BFS Ground, developing controls and best practice for operating costs, maintaining and administering all agreements of BFS Ground, including the Ground Project Agreement, and assisting in procuring relevant industry certification.



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

1. Passenger Services

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

BFS Ground provides ramp and passenger services to over 50 other airlines at the Suvarnabhumi International Airport. BFS Ground's passenger service contracts are typically for terms of two to three years, and are denominated in Thai Baht.

2. Ground Support Equipment Services

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

BFS Ground provides Ramp Service and Ground Handling Service to more than 80 airlines at Suvarnabhumi Airport. In general, the Ramp Service and the Ground Handling Service are engaged in two to three-year contracts with the service fee charged in Thai Baht.

BFS Ground is a service provider that is certified by the International Air Transport Association (IATA) Safety Audit for Ground Operations (ISAGO) and the Occupation Health and Safety Assessment Series (OHSAS 18001:2007).

In-Flight Catering

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

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

As of December 31, 2019	2019	2018
Amount of produced and uplifted meals for our flights (million meals)	3.29	3.4
Amount of produced and uplifted meals for other airlines (million meals)	4.0	4.5
Average of produced and uplifted meals (meal)	19,973	21,571

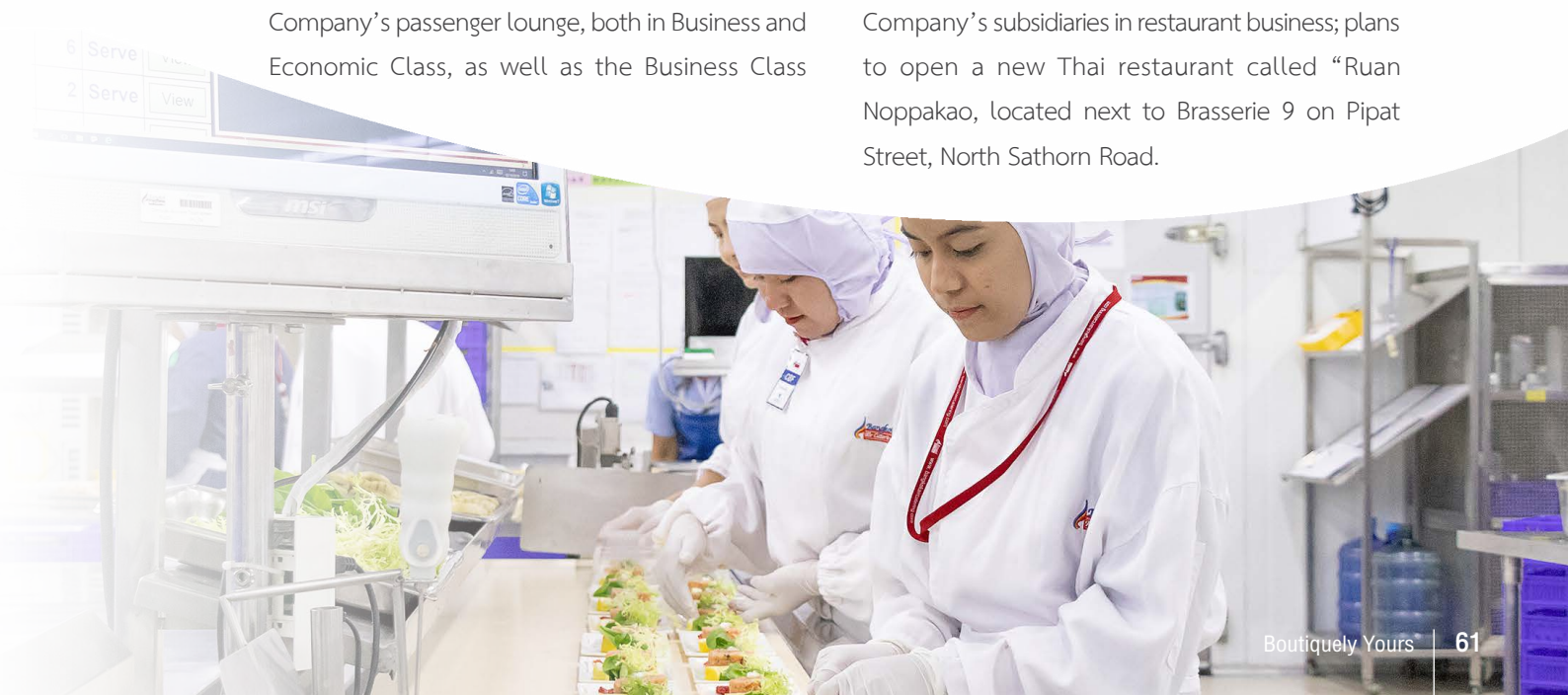
BAC produces all meals in international standards namely the Good Manufacturing Practice (GMP) and Hazard Analysis Critical Control Point (HACCP) global standards. In addition, BAC is also Halal certified by the Central Islamic of Thailand and Kosher certified by the Thai Kashrut Services Ltd.

Lounges for the other airlines at Suvarnabhumi international Airport.

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

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

In 2019, The Company expanded its in-flight service to airline customers by opening a new air catering facility at Chiang Mai Airport in July 2019. In 2020, BAC Gourmet House Co., Ltd. – one of The Company’s subsidiaries in restaurant business; plans to open a new Thai restaurant called “Ruan Noppakao, located next to Brasserie 9 on Pipat Street, North Sathorn Road.



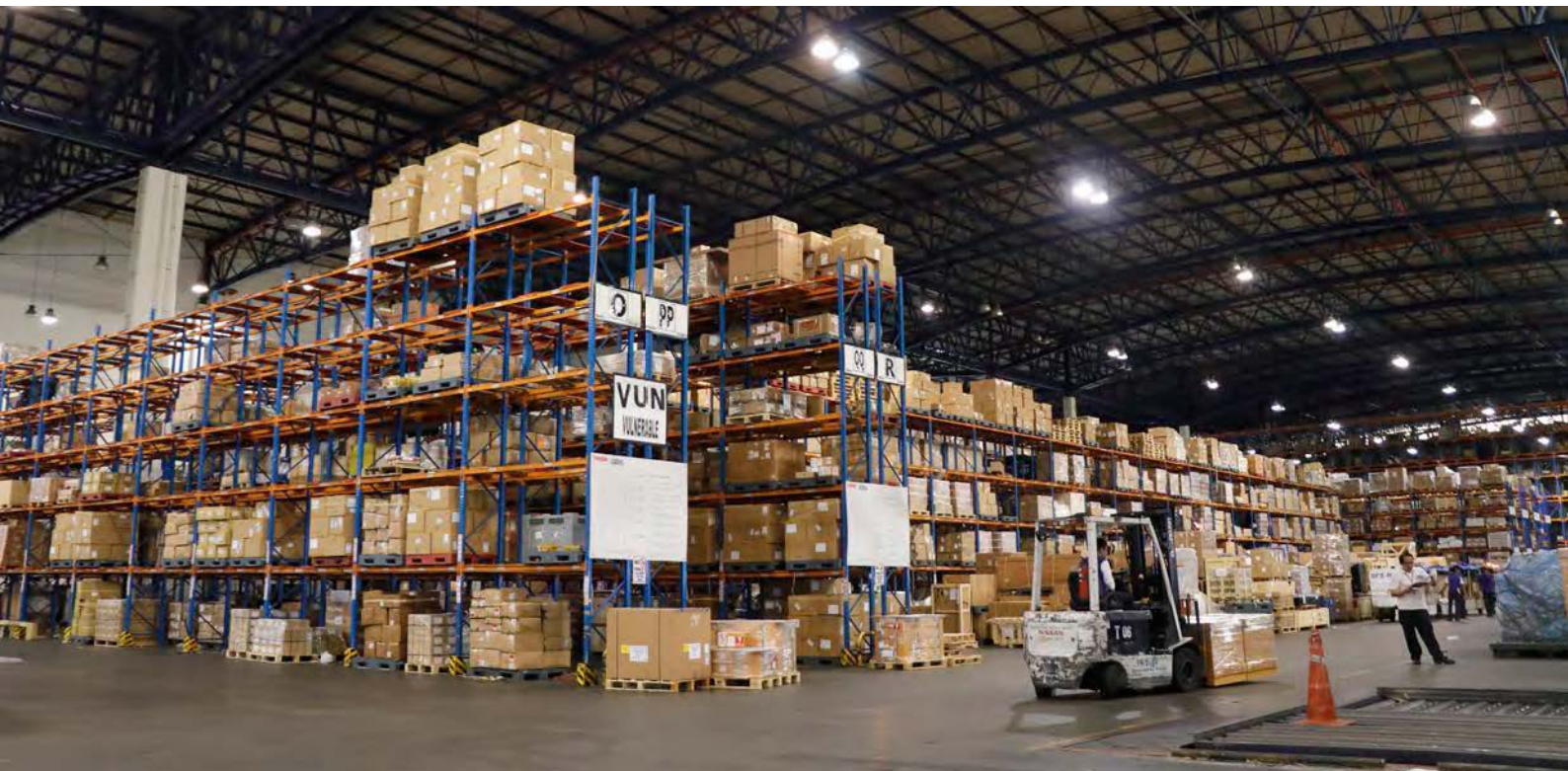
Cargo Services

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

BFS Cargo won a 20-year concession from AOT on a cargo operation contract from September

28th, 2006; the date when Suvarnabhumi Airport was officially open. This allowed BFS Cargo to start providing service following the cargo operation contract on international air cargo at Suvarnabhumi Airport.

BFS Cargo's facilities enable it to handle premium cargo, including perishable goods and valuable cargo, in respect of which it is able to earn higher margins. Security in BFS Cargo's facilities is important to BFS Cargo. BFS Cargo has installed 186 closed circuit televisions located throughout its facilities, and in the areas where BFS Cargo stores high value cargo, BFS Cargo's facilities are equipped with static cameras. BFS Cargo also has x-ray machines to screen for explosives and has outsourced aviation trained security personnel.





BFS Cargo is certified its security standard by the Transported Asset Protection Association (TAPA), quality standard as in ISO 9001. BFS Cargo was the first and only IATA (International Air Transport Association) Safety Audit for Ground Operations (“ISAGO”) and the Occupational Health and Safety Management System Specification (OHSAS 18001:2007). It also plays a role as a regulated agent 3 which refers to the third country cargo service provider who’s been audited and approved in the standard of EU flight operation. BFS Cargo’s

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

As of December 31, 2019	2019	2018
Weight of handled cargo (Ton)	409,708	425,790
cargo tonnage (Ton per year)	523,000	523,000
Utilization (percentage)	78.34	93.36

On December 31st, 2019; BFS Cargo had more than 70 clients under two to three-year contracts and the service fee is charged in Thai Baht.

BFS Cargo is one of the two cargo service providers at Suvarnabhumi Airport with its counterpart being Thai Airways International PLC.

3. Airport Businesses

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

Samui Airport

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

In 2005, the Samui Airport expansion was completed in order to increase the passenger capacity accommodation. In 2019, Samui Airport recorded 2.4 million passengers in and out and over 28,000 flights.



This tables shows daily flight volume in and out of Samui Airport in December 2019.

Airlines	Flights
Bangkok Airways	36 / day
Silk Air	2 / day
Tibet Airlines	1 / week
Chengdu Airline	3 / week



The Samui Airport operates 16 hours a day. The total area of the airport's premises is approximately 600 rai. The airport has one operating runway, with a length of 2,060 meters. The Samui airport has four taxiways with an area of approximately 28,000 square meters.

The airport can accommodate ATR 72-500/72-600, Airbus A319 and Boeing 737-400 aircraft, as well as business and private jets.

The airport has six terminals, which cover an area of 12,113 square meters, of which 1,939 square meters is commercial space. Within the arrival terminal, there are eight immigration officers on duty for 16 hours a day. Since August 2015, The Airport has provided more convenience to passengers by adding 10 common-use self-service (CUSS) kiosks at departure terminal.

In November 2006, we leased the assets of the Samui Airport to the Samui Property Fund for a period of 30 years from November 24, 2006 in accordance with the terms of the Long-Term Lease Agreement. Under the Long-Term Lease Agreement, we have agreed to, at our expense, among others, maintain the general environment of the Samui Airport and perform required marketing activities. The Company continues to act as the operator of the Samui Airport in accordance with the terms and conditions under the Sub-lease Agreement and the service agreement dated November 24, 2006 (the "Service Agreement"). Under the Sub-lease Agreement, the Samui Property Fund sub-leased the Samui Airport to us for a three year term, renewable for up to nine additional three year terms upon agreement by both parties. Accordingly, we have the ability to sub-lease the Samui Airport for aggregate term of not exceeding

30 years. Under the Service Agreement, the Company agrees to provide services relating to equipment, machinery and other systems (such as equipment for maintenance of runway, communication system and other systems) in the Samui Airport to the Samui Property Fund for a period of 30 years from the date of the Service Agreement. The Company also agrees to pay to the Samui Property Fund, (i) rent in an amount of THB26.1 million per month and (ii) a service fee, which consists of a fixed service fee in the amount of THB21.4 million and a variable service fee in an amount calculated based on the formula specified in the Service Agreement. Such formula is based on several factors, including the number of the departing passengers and the aircraft (excluding the rent of commercial areas within the Samui Airport).

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

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



Trat Airport

Trat Airport was open in 2003 under the Trat Airport Incorporation License which is valid until March 14, 2026. It's located 387 kilometers east of Bangkok. Trat province is a border town between Thailand and Cambodia. Bangkok Airways is the only operator on this route. The airport premise has an area of approximately 1,300 rai. It has one operating runway with a length of 1,800 meters. In 2019, the in and out traffic recorded 100,000 passengers with more than 2,200 flights.

Trat Airport is among the three airports that belong to Bangkok Airways Public Company Limited. It's open for Bangkok Airways and other flights as well. The airport's ICAO Airport Reference Code is 4C. The runway is asphaltic concrete with a length of 1,800 meters, width of 45 meters, and the runway's outer area as specified by the standard of the ICAO (International Civil Aviation Organization). Trat Airport is open for service from 06.00 hrs. to 19.00 hrs. Presently, Trat Airport has the immigration and customs services in place. The landing fee at Trat Airport is priced according to the announcement of the Civil Aviation Authority of Thailand. The air traffic control service is available during the operating hours of the airport



Sukhothai Airport

We commenced operations at the Sukhothai Airport in 1998. Sukhothai is located 440 kilometers north of Bangkok. Approximately 600,000 people live in the town. Old Sukhothai, which is located 12 kilometers west, has been a UNESCO World Heritage site since 1991. In 2019, we served approximately 81,000 passengers with more than 1,700 flights. We are the only airline that flies to Sukhothai.

The Sukhothai Airport operates 12 hours. The total area of the airport's premises granted in a license is approximately 1,018 rai. The airport has one operating runway with a length of 2,100 meters, one taxiway occupying an area of 3,870 square meters. The Sukhothai Airport has two operative aprons, with an area of approximately 9,975 square meters. The airport has two terminals which cover an area of 1,026 square meters, of which 784 square meters is commercial space.

Marketing and Competition

1. Marketing

Promoting Passenger Experience

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

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

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



Advertising and Marketing

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

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

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

Pricing and Revenue Management

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

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

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

1. Simplifying the pricing structures and at the same time, introducing pricing policies at each point of sale to match the characteristic of each point of sale and channel in order to maximize yield and minimize revenue dilution;
2. Introducing automated ticketing to prevent revenue losses due to human error and increase revenue from optional service fees such as excess baggage fees;

3. optimizing seat allocation within each booking category according to fare classes and forecasted demand based on historical data for each route (such as by allocating fewer lower fare seats for routes with higher expected demand); and
4. Optimizing priority allocation to passengers based on forecast demand to maximize revenue on a network basis rather than on an individual sector basis

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



Maintaining frequent customers by FlyerBonus

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

of our code-share partners, financial institutions, car rental companies and local and international hotel chains, allowing members to earn miles through everyday spending, car rentals and hotel stays.

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

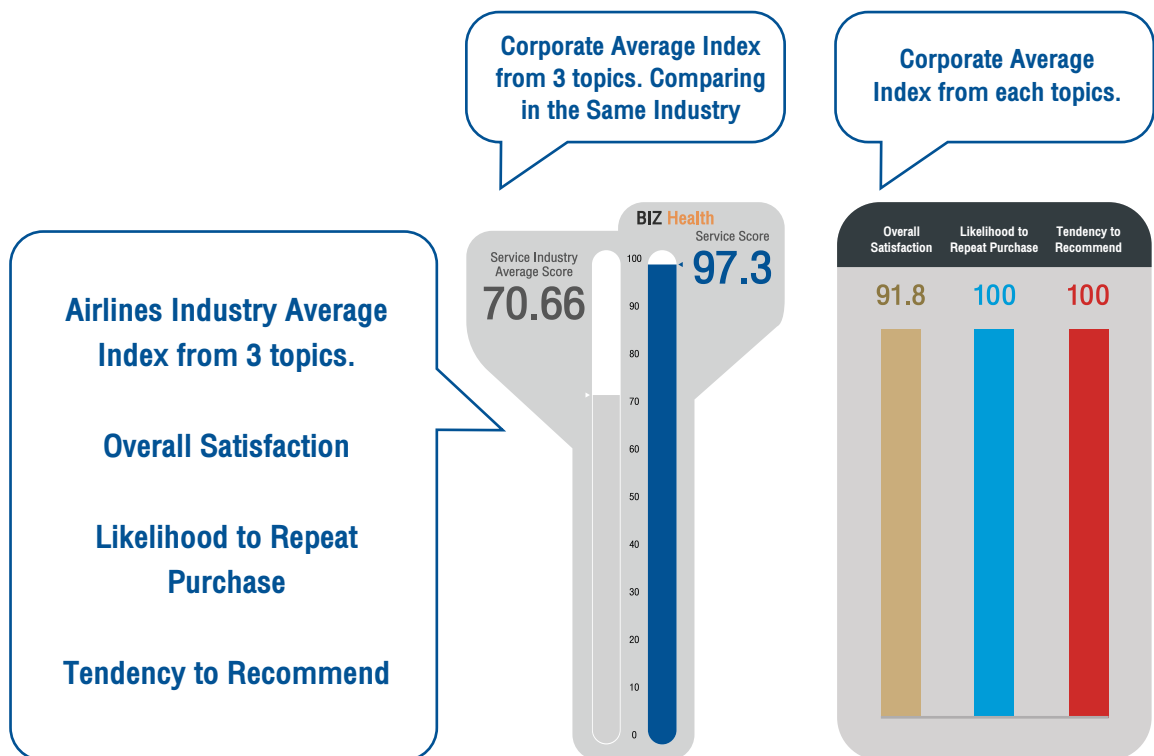
The screenshot displays the Bangkok Airways FlyerBonus website. At the top, the Bangkok Airways logo and 'FlyerBonus' text are visible, along with links to 'Sign In' and 'Join FlyerBonus'. A navigation bar includes links for 'About FlyerBonus', 'Earn Points', 'Redeem Awards', 'Promotions & Privileges', 'News', and 'Services & Support'. The main banner features a '15% Off' promotion, described as 'The Fastest Way to Redeem Air Awards' from January 1 to December 31, 2020. It also promotes the 'Best Value for KTC-BANGKOK AIRWAYS Credit Card' with a 'click here' link. Below the banner, there's a section for 'TOP REDEEMERS Summer RETREAT' with a 'Take a city break' tagline, showing a person with a suitcase. To the right is the 'FlyerBonus Member Sign in' section, which prompts users to enter their FlyerBonus ID and password, with links for 'Forgot FlyerBonus ID' and 'Forgot Password'. A footer note states '*Terms and Conditions apply'.

Our target customers

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

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

The company has prepared the Customer's Satisfaction survey of 2019



*Remark : Index compute with weighted calculation

Bangkok Airways Average Index is 97.3% higher than Aviation Industry which is 70.66%

Sales and Distribution

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

1. Direct sales

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

Sales offices, ticket counters and airport counters.

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

The Division consistently focusses on improving service mindset for our staffs through training sessions called “PG Service Mind.” This training is aimed at the frontline staffs to better serve the clients with a belief that their satisfaction will repeatedly bring them back to our service. We also encourage staffs to personally introduce FlyerBonus – our frequent flyer program, to the clients and encourage them to become members. This will help expand the membership database in order to provide efficient service, while also generate revenues for The Company.

Call Centers

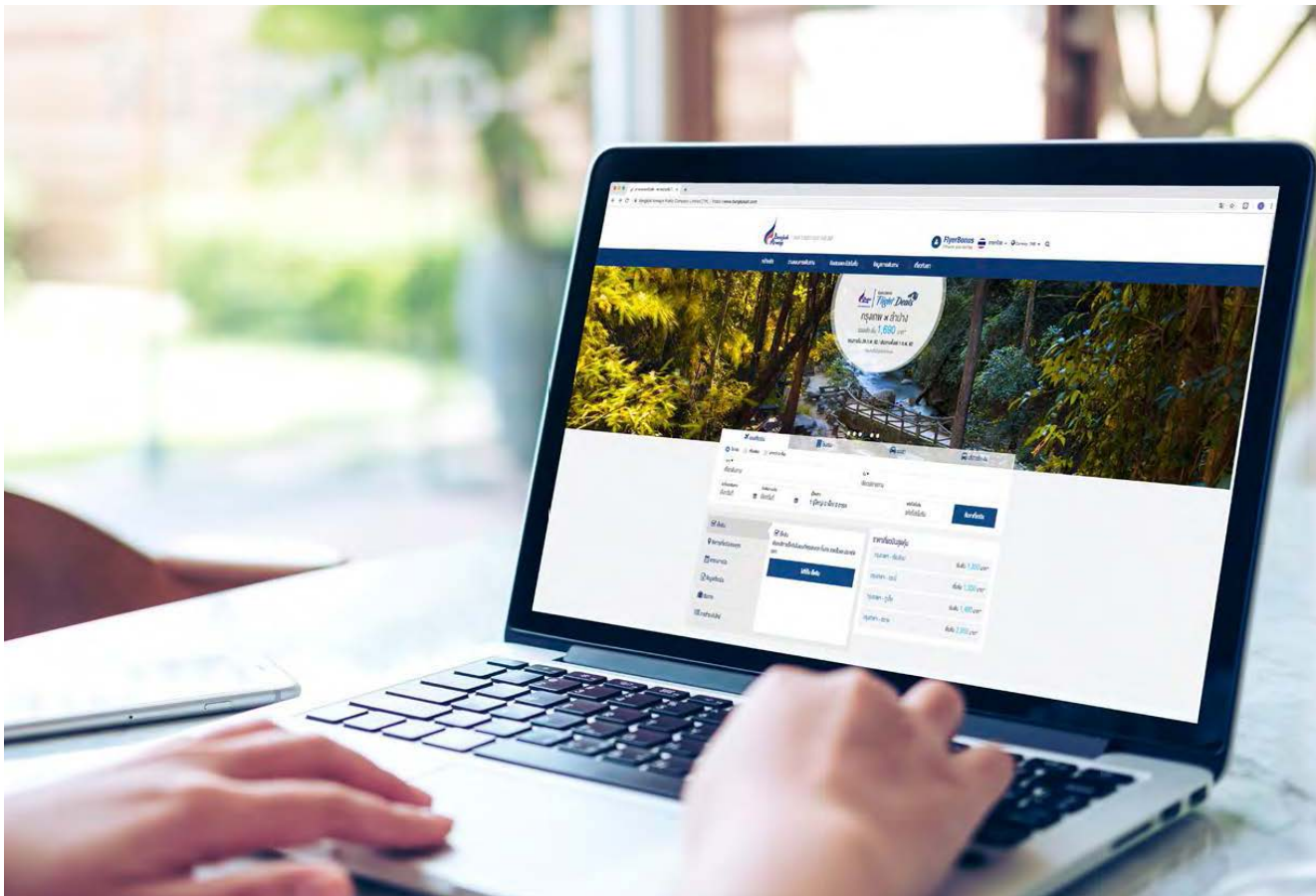
The 1771 Call Center, servicing 24 hours a day, is a key channel that provides convenient access to the service for passengers; such as product and service information enquiry, ticketing and reservation, payment, flight change charges, or other special services including ticketing and reservation for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



Internet

We rely on our website, <http://www.bangkokair.com>, for our Internet sales. Online bookings are paid for by credit card or direct debit, reducing credit risk and accounting processes. This also improves our operating cash flows as all revenues from Internet sales are received directly by our acquiring bank for crediting to our account. In 2010, we upgraded our website to increase Internet sales

and reduce agency commissions. We also revamped the layout to be more sales-focused with more prominent fares and promotional displays. Use of the Internet to make flight reservations increased. The Internet has become our least expensive distribution channel as it requires lower overhead and operating costs.



2. Indirect sales

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

Besides managing the sale channel through the Global Distribution System (GDS); in 2019, The Company carried out a system migration from the previous reservation's host system to Amadeus Altea to increase seamless efficiency in all sale activities. This new system will especially help leverage the sale support through worldwide representatives to be more accurate, up-to-date, and convenient for both offline and online travel agent (OTA) which has shown an exponential growth worldwide. This implementation also helps The Company achieve several agreements between all other distribution systems resulted in discounts on each reservation transaction.





1. Risks Relating to Our Business

1.1 Our business, financial condition, results of operation and prospects are materially and adversely affected by the cost or unavailability of sufficient quantities of fuel.

Aircraft fuel costs represent the largest component of our cost of sales and services, comprising 18.6% and 17.3% of our total consolidated cost of sales and services in 2018, 2019 respectively. As jet fuel constitutes a substantial portion of our operating costs, a relatively small increase in fuel costs can have negative effect on our operating costs. In the event of a jet fuel supply shortage, higher jet fuel prices or the curtailment of our scheduled

service could result. We enter into jet fuel derivative contracts to manage our risks resulting from future changes in jet fuel prices. As of December 31st, 2019 The company still have an obligation the hedging contract until December 2020 for 960,000 barral with range of fuel derivative contracts between US\$71.35 and US\$95.0 per barral. However, we cannot assure you that our fuel hedging program will be sufficient



to protect us against increases in the price of fuel. Additionally, we are also exposed to potential losses from our other hedging activities.

We rely mainly on PTT Public Company Limited (“PTT”) and SUSCO Public Company Limited for our jet fuel requirements. In 2019, of our aircraft fuel expenses were the result of purchases of jet fuel from PTT and 62% and 29%, respectively,

were from SUSCO Public Company Limited. Any decline in the availability of adequate supplies of fuel and/or any increase in the cost of fuel would have a material adverse effect on our costs and on our business, financial condition, results of operation and prospects.

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

We are exposed to potential significant losses in the event that any of our aircraft is lost or subject to an emergency, accident, terrorist incident or other disaster and we incur significant costs related to passenger claims, repairs or replacement of a damaged aircraft and its temporary or permanent loss from service.

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

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

As of December 31st, 2019, we had code-share agreements in place with 27 airlines. This resulted in revenue generation for us from our code-shared partners. We expect more reliance on our code-share arrangements. However, we cannot assure you that we will not be adversely affected by any future changes in our relationships with our code-share airlines. Moreover, certain of our

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

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

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

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



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

The airline business is our core business, contributing 73.27% of our total consolidated revenues in 2019. It comprises air transport services for passengers domestically and internationally. Our growth has focused and will continue to focus on adding domestic and international flights to and from our operations at the Suvarnabhumi International Airport, Samui Airport and Chiang Mai Airport. Our business, financial condition, results of operation and prospects would be affected by any circumstances causing a reduction in demand for air transportation in Thailand, including adverse changes in local economic conditions, declining interests in Thailand as a tourist destination, or significant price increases as a result of increases in airport access costs and fees imposed on passengers.

We believe that a substantial majority of our passenger traffic on our airline and at our airports

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

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

Our subsidiary and associated companies have entered into project agreements with the AOT to provide airport-related services at the Suvarnabhumi International Airport, including cargo terminal services, ground services and in-flight catering services, with a term of 20 years, expiring September 27, 2026. BFS Ground and BAC contributed 8.4% and 3.6%, respectively. We cannot guarantee you that one or more of our project agreements will not be terminated before

their expiration. If our subsidiary and associated companies are unable to renew or extend their project agreements upon expiration or termination, our subsidiary and associated companies will lose their rights to operate the relevant businesses resulting in our loss of revenue stream resulting from such business, which will have adverse effect on our business, financial condition, results of operation and prospects.

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

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

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

1.8 Our maintenance costs will increase as our fleet ages.

The average age of our aircraft was 10.2 years as of December 31, 2019. Generally, the cost of maintaining aging aircraft will exceed the cost of maintaining newer aircraft. As our fleet continues to age, it will require more maintenance and our maintenance expenses will increase on an absolute basis, on an available seat kilometer basis and as a percentage of our operating expenses (provided our other operating expenses remain constant). Any significant increase in

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

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

We have historically leased most of our aircraft pursuant to operating lease arrangements. However, we may consider purchasing a portion of our aircraft requirements in the future. We entered into a sale and purchase agreement for nine new ATR 72-600 aircraft. The delivery seven aircraft of all. We are likely to require financing and incur significant amounts of debt to fund such acquisitions. If we are unable to obtain such financing, we will remain obligated to take delivery of the nine aircraft and will be required to finance through alternative funding sources or renegotiate with the vendor or default under the sale and purchase agreement. We may also obtain debt

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

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

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

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

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

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



In addition, we plan to expand our total fleet size to 40 by December 31, 2019. If we are unable to successfully implement our business strategy, we may have to delay or cancel the scheduled deliveries of these aircrafts, subject to applicable break fees, which may affect our business, financial condition, results of operation and prospects.

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

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

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

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

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

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

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

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

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



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

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

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

2. Risk Relating to the Aviation Industry

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

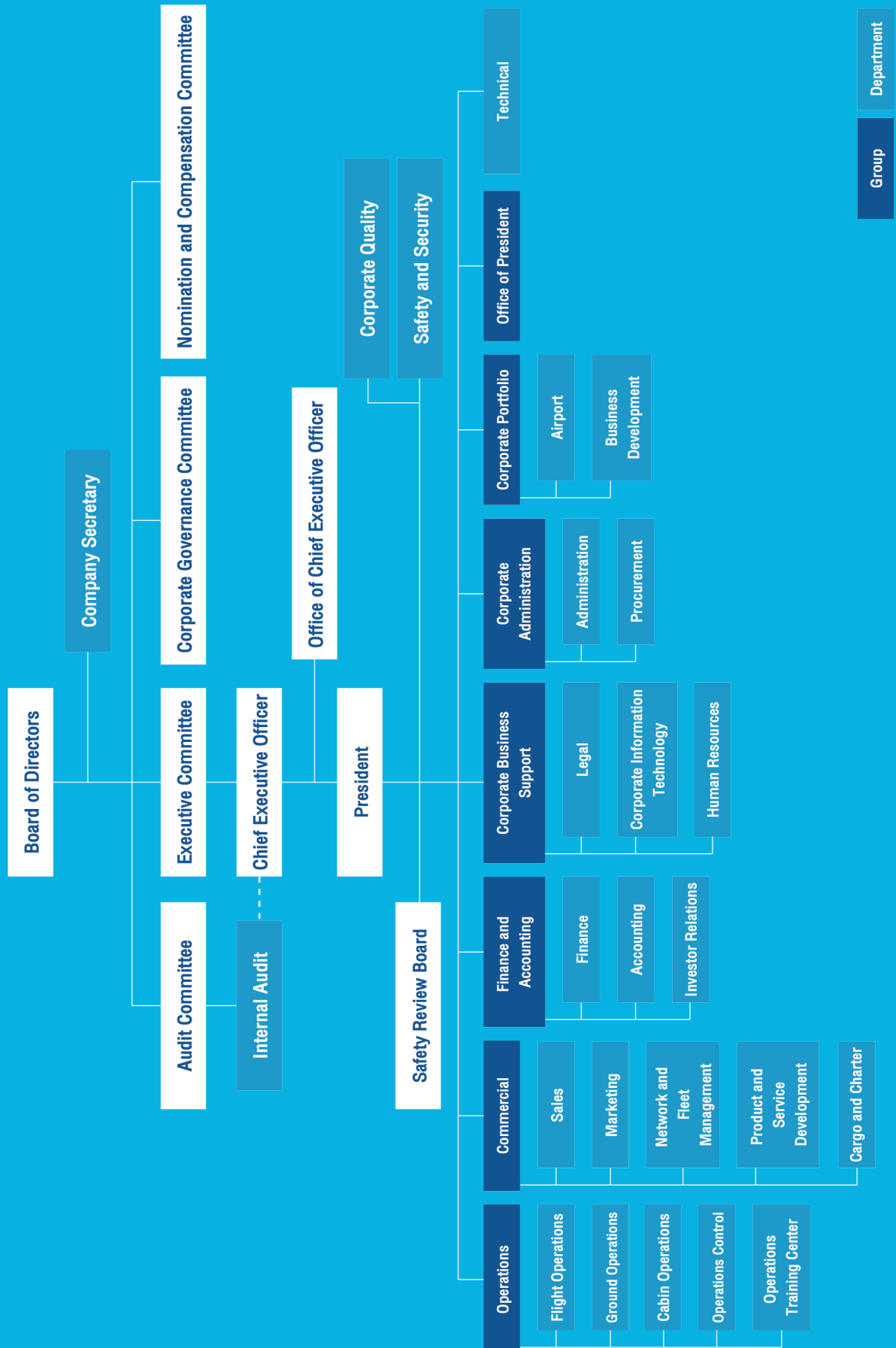




Company Organization Chart

As of December 31, 2019

93



Management Structure

Board of Directors

The management structure of the Company consists of five Board of Directors which are the Company's Board of Directors Committee, the Executive Committee, the Audit Committee, the Nomination and Compensation Committee, and the Corporate Governance Committee with details as follows.

1. THE BOARD OF DIRECTORS OF THE COMPANY

As of December 31, 2019 our Board of Directors comprised of three non-executive directors, three executive director and five Independent Director as follows:

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

Remark:

- (1) General Vichit Yathip vacated the position of the Director, Chairman of Nomination and Remuneration and Member of Audit Committee on May 6th, 2019.
- (2) Mr. Sripop Sarasas was appointed to the Chairman of Nomination and Remuneration Committee on May 23rd, 2019 following the 5/2019 Board of Directors meeting.
- (3) Mrs. Ariya Prasarttong-Osoth was appointed to the Member of Nomination and Remuneration Committee on May 23rd, 2019 following the 5/2019 Board of Directors meeting.
- (4) Mr. Somboon Kittiyansub was appointed to the Member of Audit Committee on May 23rd, 2019 following the 5/2019 Board of Directors meeting.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

● POLICY AND GOVERNANCE

1. The Board of Directors shall perform duties using their knowledge and expertise for the benefit of the Company in accordance with the Company's Articles of Association and resolutions of the shareholders' meeting. Directors are authorized to perform actions indicated in the Company's Memorandum of Association, the Public Company Act and relevant laws.
2. Comply with the provisions and the good practices of listed company directors of the Stock Exchange of Thailand.
3. Determine policies and approve matters related to the general operation of the Company, such as vision, business direction, strategies, business plan, annual budgets, investment plan, and make financial decisions.
4. Monitor the operational results of the Company in order to ensure consistency with established goals and plans.
5. Procure policies on corporate governance in writing and approve such policies. The Board of Directors shall review such policies and their compliance consistently, at least once a year.
6. Encourage the determination of code of conduct in writing in order to ensure that all directors, executive officers and employees understand ethical standard used in the Company's business operation and strictly monitor the compliance of such code of conduct.

● FINANCIAL

1. Set up a reliable financial report and account audit system.
2. Procure the preparation of the Company's statement of financial position and profit and loss statement for the approval of the Annual General Meeting of the shareholders. The Board of Directors shall engage the auditors to audit such statement of financial position and profit and loss statement prior to the proposal to the shareholders.

● INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

1. Put in place an appropriate internal control and internal audit system by procuring the independent personnel or working unit who is responsible for the inspection of such system and review the internal control system at least once a year.
2. Set up policies on risk management to manage and control all risks concerning the organization
3. Review or evaluate the effectiveness of the internal control system and the risk management at least once a year.

- **HUMAN RESOURCES**

With respect to the Directors

1. Filter the list of candidates to be appointed as the Company's directors to propose for the shareholders' approval.
2. Consider forms and rules concerning the payment of remuneration of directors and sub-committees to propose for the shareholders' approval.
3. The Directors should review the qualifications of persons who are appointed as the "Independent Directors" to ensure that they are truly independent which befit properly to the specific nature of The Company in accordance to the criteria of the Securities and Exchange Commission, Thailand. In addition, the Directors should reassure that the Independent Directors are only able to remain in the position not more than nine consecutive years from the first appointment. In case of extending the position term, the Directors must review thoroughly on the necessity of such period extension.
4. The Directors must set the criteria for each Director who also works for the other companies that they must be capable of adequately contributing to The Company by limiting their jobs with five registered companies considering they already hold a position at The Company. The on-job efficiency could be an issue, if the Directors work for too many companies at the same time.

With respect to Chief Executive Officer and President

1. Approve the appropriate qualifications, methods and rules of the selection, including forms and rules of the payment of remuneration regarding Chief Executive Officer and President.
2. Approve rules and procedures for the evaluation of performances and results of the performances of Chief Executive Officer and President.
3. Approve the determination of the annual remuneration for Chief Executive Officer and President.

With respect to Organizational Structure, Salary Adjustment and Executive Succession Plan

1. Approve the upper-level organizational structure, including scope of duties, authorities and responsibilities of the management of such level.
2. Approve the pay scale and the criteria for the annual salary adjustment.
3. Approve the executive succession plan for the positions of Chief Executive Officer and President.

- **MANAGEMENT OF CONFLICT OF INTEREST**

1. Supervise and monitor to ensure the complete compliance with laws and the Stock Exchange of Thailand's regulations in relation to procedures of actions and disclosures for the conflict of interest transactions.
2. Report to the Company on any conflicts of interests, which pertain to the management of the Company or subsidiaries, of oneself or related persons. For transparency, such transactions are to be reported to the Board of Directors whenever there is a change.
3. On the date on which the independent directors accept the appointment and every year afterwards, the independent directors shall submit a confirmation letter to the Company to ascertain their independency as defined by the Company.

- **COMMUNICATION WITH THE SHAREHOLDERS**

Provide appropriate and regular communication channels to the shareholders and provide transparent disclosure of information in accordance with standards.

- **INVESTMENT**

1. Our Board of Directors is authorized to approve any investment that does not carry an unacceptable level of risk of the Company.
2. Authorize the Executive Committee to approve investments not exceeding THB500.0 million per transaction. The Executive Committee is required to present to our Board of Directors for acknowledgment, such approval of investment. The Executive Committee is required to present to our Board of Directors for approval, any investments in securities of entities which are connected or related to the Company or its directors or management, and any director(s) related to such entities will not attend or vote.

- **OTHERS**

1. Appoint the Company's corporate secretary according securities and exchange laws.
2. Establish charters of the Board of Directors and sub-committees and approve suggestions proposed by the sub-committees in the adjustment of the content in such charters to be updated and compatible with changing rules, regulations and circumstances.
3. Perform other duties as prescribed in the notifications, regulations, acts or laws governing the Company.

The above authority duties and responsibilities shall not apply to any person with possible conflict, interest or conflict of interest in any other form with the Company or subsidiaries. Furthermore, it does not include actions in connection with the connected transactions and acquisition/sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. The Company must act in accordance with regulations and guidelines of the Stock Exchange of Thailand or other related notifications on the related matter. In addition, the above authority duties and responsibilities shall not include any matter that is required by the Articles of Association to be approved by the shareholders. The Executive Committee or the authorized persons by the Executive Committee shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.



2. EXECUTIVE COMMITTEE OF THE COMPANY

To enable the Company's operation to be efficient and timely in line with circumstances, with the best benefit of the Company, the Board of Directors appointed the Executive Committee of the Company.

As of December 31, 2019, the Executive Committee of the company consists of three following directors and executive officers with the office term of 3 years.

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

SCOPE OF AUTHORITIES AND DUTIES OF THE EXECUTIVE COMMITTEE

- **POLICY AND GOVERNANCE**

1. Determine vision, business direction, policies, and strategies of the Company to propose for the Board of Directors' approval.
2. Review business plan, annual budgets, annual expenses, investment plan, Corporate Social Responsibility plan, of the Company to be in line with laid down policies and strategies, and propose for the Board of Directors' approval.
3. Supervise the Company's operation to be line with the specified plans, including laws, rules and regulations of the relevant authority agencies and rules and the Articles of Association of the Company.
4. Consider the summary report of the Company's operation and propose for the Board of Directors' approval.

- **FINANCIAL**

1. Approve capital expenditures and operating expenses, including expenses for public interest or charity, which is not included in the annual budget, for the amount not exceeding Baht 100,000,000. except that expenses for the investment in real estates, i.e. lands and/or buildings, leasehold rights in lands and/or buildings, which shall be registered with the land offices, shall be approved by the Board of Directors in any case.

On July 24, 2014, the Company's Board of Directors adopted an adjustment to the scope of authorities, duties and responsibilities of the Executive Committee to cover the approval of the investment and expenses in emergency in order to smooth the management of the Company. The President is authorised to pre-approve capital expenditures and operating expenses, including expenses for public interest or charity, , which is not included in the annual budget within the above specified amount and shall then propose to the Executive Committee afterwards.

2. Approve or review loan facilities made to subsidiaries within the limit of Baht100,000,000; provided that 5% of the issued and paid-up shares of such subsidiaries shall not be held by related persons of the Company, and report to the Board of Directors in the subsequent meeting.

- **INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT**

Ensure that the Company has an effective and appropriate operational system for internal control and the management and control of risks and comply with suggestions and comments from the Audit Committee.

- **HUMAN RESOURCES**

1. Consider and review forms of organizational structure and the scope of authorities, duties and responsibilities of upper-level personnel (President-level) to propose for the Board of Directors' approval.
2. Approve the executive succession plan.
3. Approve the appointment, transfer or removal of executive officers (from the position of Vice President). Determine and approve the list of directors and the managing director of subsidiaries to serve as guidelines for such subsidiaries to have such list further approved according to laws and rules and regulations of each subsidiary.
4. Consider and review the structure of pay scale and the principles of annual salary adjustment of the Company and subsidiaries (however excluding Chief Executive Officer and President) to propose for the Board of Directors' approval.

- INVESTMENT

1. Authorized to approve any investment with the amount not exceeding Baht500,000,000 per transaction.
2. The Executive Committee is required to present to our Board of Directors for approval, any investments in securities of entities which are connected or related to the Company or its directors or management , and any director(s) related to such entities will not attend or vote.

- OTHERS

1. Delegate a working team to solve any problem in compliance with the Company's policies
2. Annually review the Executive Committee's charter. If the Executive Committee views that it is necessary to amend any content in such charter to be compatible with changing rules, regulations and circumstances, the Executive Committee shall to further propose for the Board of Directors' approval.
3. Perform other duties as assigned by the Board of Directors.

The above authority duties and responsibilities shall not apply to any person with possible conflict, interest or conflict of interest in any other form with the Company or subsidiaries. Furthermore, it does not include actions in connection with connected transactions and acquisition/sale of important assets of the listed company in accordance with the regulations of the Stock Exchange of Thailand or other related notifications. The Company must act in accordance with regulations and guidelines of the Stock Exchange of Thailand or other related notifications on the related matter. In addition, the above authority duties and responsibilities shall not include any matter that is required by the Articles of Association to be approved by the shareholders. The Executive Committee or the authorized persons by the Executive Committee shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

3. AUDIT COMMITTEE

The Audit Committee of the Company consists of three independent directors, who are qualified according to the SET and the Capital Market Supervisory Board regulations. As of December 31, 2019, the Audit Committee of the Company is comprised of the following non-executive directors

No.	Names of Members of Audit Committee	Positions
1	Mr. Sripop Sarasas	Chairman of Audit Committee
2	General Vichit Yathip ⁽¹⁾	Member of Audit Committee
3	Mr. Saharat Benyakul	Member of Audit Committee
4	Mr. Somboon Kitiyansub ⁽²⁾	Member of Audit Committee

Remark:

- (1) General Vichit Yathip resigned the position of the Member of Audit Committee on May 6th, 2019.
- (2) Mr. Somboon Kitiyansub was appointed to the Member of Audit Committee on May 23rd, 2019 following the 5/2019 Board of Directors meeting.

Mr. Sripop Sarasas is a member of the Audit Committee who has sufficient knowledge and experience to review the reliability of the financial statements. In this regards, Mr.Pairoch Chantasilp is the secretary of the Audit Committee.

THE SCOPE OF AUTHORITY, DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- **POLICY AND COMPLIANCE**

The audit committee is required to review and maintain compliance with the rules and regulations of the SET securities law and the law relating to the business of the Company.

- **FINANCIAL**

1. Review that the Company's reports and disclose the correct and credible financial report and to cooperate with the external auditor and the management in preparing financial report which are in compliance with the prescribed period by the SET, laws and other applicable government authorities;
2. Consider, select and nominate an independent auditor and to propose such auditor's remuneration, as well as to attend a non-management meeting with such auditor at least once a year; and including to attend a meeting with the auditor without any management personnel in that meeting at least once a year. While also, able to propose to remove the auditor if he/ she is found to be unable to perform his/ her duty, lack of responsibility or engaged in any illegal action.
3. Provide an independent and proper procedure for the employees to report evidence relating to unreasonable financial details.

- **INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT**

1. Review the internal control and internal audit system and ensure that they are suitable and efficient and together with the internal and independent external auditors and, to assess the internal audit unit's independence;
2. Review evidence from internal investigations where there are suspicions that corruption has occurred or the existence of unreasonable flaws in the internal control procedure and to report these to the Board of Directors;
3. Investigate the evidence where there is suspicion of violations of law or regulations of the SET, which materially affect or may materially affect the financial condition and the business operation of the Company;
4. Hire or procure a professional specialist to assist in the inspection and investigation, according to the Company's regulations, in cases where there are suspicions of transactions or acts which may materially affect the financial condition and operating results;
5. Approve the appointment, transfer, dismissal and evaluation of the performance of the chief of internal audit, if the Company establishes an internal audit unit. If the Company hires an internal audit company, the Audit Committee shall approve the hiring and propose the remuneration;
6. Review organizational risk management and recommend an efficient and suitable risk management approach relating to business operations; and
7. Review risk management reports, track potential risks and report on the adequacy of the internal control system and risk management to the Board of Directors.

- **CONFLICT OF INTEREST MANAGEMENT**

The audit committee is required to review related party transactions, or any transactions that may lead to conflicts of interest, and ensure that they are done in compliance with laws and the regulations of the SET and are reasonable and beneficial to the Company

- **OTHERS**

1. Prepare and disclose in the annual report, the audit committee's report, which must include information mandated by the SET regulations and related regulations;
2. Annually review the Audit Committee charter to ensure that it contains the minimum scope of operational requirements for the Audit Committee as prescribed by the regulations of the SET and to also ensure that it includes adequate support to the Audit Committee's operation, such as the hiring of a professional specialist to opine on the specific subjects which require specialized expertise. If the Audit Committee is of the opinion that the Audit Committee charter needs to be amended to be in compliance with the rules and regulations, the Audit Committee shall seek the approval of the Board of Directors; and
3. To perform any other act as assigned by the Board of Directors.

The Audit Committee is accountable to the boards of directors of the Company. The office term of the chairman of the Audit Committee is three years.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Compensation Committee consists of at least three directors who does not participate in management of “the Company” and are independent directors in majority. The Chairman of the Nomination and Compensation Committee must be independent director. As of December 31st, 2019; the Nomination and Compensation Committee consisted of three independent directors as follows.

No.	Names of Members of Nomination and Remuneration committee	Positions
1	General Vichit Yathip ⁽¹⁾	Chairman of the Nomination and Remuneration committee
2	Mr. Sripop Sarasas ⁽²⁾	Member of the Nomination and Remuneration committee
3	Mr. Somboon Kitiyansub	Member of the Nomination and Remuneration committee
4	Mrs. Ariya Prasarttong-Osoth ⁽³⁾	Member of the Nomination and Remuneration committee

General Vichit Yathip⁽¹⁾ is the Chairman of the Nomination and Remuneration committee who is knowledgeable and has sufficient experience for the position with Ms. Tresarun Sitakalin, the Corporate Secretary, as the secretary for the Nomination and Remuneration committee.

Remark:

- (1) General Vichit Yathip resigned the position of the Chairman of Nomination and Remuneration on May 6th, 2019.
- (2) Mr. Sripop Sarasas was appointed to the Chairman of Nomination and Remuneration Committee on May 23rd, 2019 following the 5/2019 Board of Directors meeting.
- (3) Mrs. Ariya Prasarttong-Osoth was appointed to the Member of Nomination and Remuneration Committee on May 23rd, 2019 following the 5/2019 Board of Directors meeting.

THE SCOPE OF AUTHORITY, DUTIES AND RESPONSIBILITIES OF THE NOMINATION AND COMPENSATION COMMITTEE

- HUMAN RESOURCES

With respect to the Directors

1. Specify appropriate qualifications of the Directors, procedures, and criteria in nominating the Directors. Also, filter the list of candidates to be appointed as the Company’s directors to propose for the shareholders’ approval.
2. Consider forms and rules concerning the payment of remuneration of directors and sub-committees to propose for the shareholders’ approval. These must be done with clear, transparent, fair, and following the responsibility and the result of work in a way that is able to appeal and keep such qualified and potential directors with “the Company”.

With respect to Chief Executive Officer and President

1. Specify appropriate qualifications, procedures and criteria in nominating the Chief Executive Officer and the President, including filter the list of candidates to be appointed as the Company's directors to propose for the shareholders' approval.
2. Consider forms and rules concerning the payment of remuneration of the Chief Executive Officer and the President to propose for the shareholders' approval. These must be done with clear, transparent, fair, and following the responsibility and the result of work
3. Set rules and procedures for the evaluation of performances and results of the performances of Chief Executive Officer and the President for the Company's directors to approve.

With respect to Organizational Structure, Salary Adjustment and Executive Succession Plan

1. Evaluate results of the performances of Chief Executive Officer and the President following criteria approved by the Company's directors and propose the pay scale and the criteria for the annual salary adjustment in accordance with the evaluation for the Company's directors to approve.
2. Set the succession planning for the positions of Chief Executive Officer and President for the Company's directors to approve.

● OTHERS

1. Prepare a report of the Nomination and Remuneration Committee and include it in a section of the Company's annual report.
2. Review the rules of the Nomination and Remuneration Committee annually. In case it's necessary to adjust any contents to be in line with rules, regulations, and the relevance to the current situation, the Nomination and Remuneration Committee must propose them to the Company's Directors.
3. Conduct any other duties assigned by the Company's Directors.

The Nomination and Remuneration Committee reports directly to the Company's Directors. The Chairman and the members of the Nomination and Remuneration Committee's term in the positions is dependent to the term of the Company's Directors.

5. CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee consists of at least three directors who does not participate in management of “the Company” and are independent directors in majority. The Chairman of the Corporate Governance Committee must be independent director. The Corporate Governance Committee consisted of two independent directors and a Company’s Director who isn’t involved as a management, or the total of three persons as follows.

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

Mr. Somboon Kitiyansub is the Chairman of the Corporate Governance committee who is knowledgeable and has sufficient experience for the position with Mr. Danusorn Chucherdwattanasak, Assistant Corporate Secretary, as the secretary for the Corporate Governance committee.

THE SCOPE OF AUTHORITY, DUTIES AND RESPONSIBILITIES OF THE NOMINATION AND COMPENSATION COMMITTEE

● POLICY AND GOVERNANCE

1. Stipulate the corporate governance policy and direction of appropriate practice including ethical rules and business integrity pursuant to the rule of law, criteria, regulations, business direction, standard, and restrictions to be in line with those of the offices in charge of governing the listed companies for examples, the Stock Exchange of Thailand, The Securities and Exchange Commission, Thailand and of any institutes or organizations widely recognized in both Thailand and internationally for good Corporate Governance. This is to support, and strategize business towards a successful goal of the Company upon commercial and social sustainability. This includes the revision of policy, business direction, and regulations to be up-to-date and current for an efficient implementation.
2. Supervise, follow up, and evaluate the business to ensure that the Company and its personnel including the stakeholders practice or run the business according to the policy and the direction or all regulations as well as giving advice or opinions to improve or alleviate the work in accordance with the corporate governance.

● HUMAN RESOURCES

Consider and approve as well as giving opinions or advices on the performance evaluation of the Company's Directors, the Chief Executive Officer, and the Vice President – Corporate Governance.

● OTHERS

1. Promote the knowledge dissemination, understanding and confidence in the corporate governance system to the employees of the company and the subsidiaries.
2. Support, advise, and recommend the Company in preparing to be evaluated or placed in ranking of the corporate governance.
3. Prepare a report of the Corporate Governance Committee and include it in a section of the Company's annual report.
4. Review the rules of the Corporate Governance Committee annually. In case it's necessary to adjust any contents to be in line with rules, regulations, and the relevance to the current situation, the Corporate Governance Committee must propose them to the Company's Directors.
5. Conduct any other duties assigned by the Company's Directors.

The Corporate Governance Committee reports directly to the Company's Directors. The Chairman and the members of the Corporate Governance Committee's term in the positions is dependent to the term of the Company's Directors.

EXECUTIVE OFFICERS

As of December 31, 2019, our executive officers consist of 16 members as follows:

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

Remarks:

- (1) Mr. Nijjapat Piyapant was appointed on September 1st, 2019 replacing Mr. Narongchai Tanadchangsang who retired on August 31st, 2019.
- (2) AM. Dechit Chareonwong was appointed to the Senior Vice President – Operations on September 1st, 2019
- (3) Mr. Prote Setsuwan was appointed to the Vice President - Business Development on September 1st, 2019
- (4) Mr. Varong Israsena Na Ayudhya was appointed to the Vice President - Marketing on September 1st, 2019 replacing Mr. Prote Setsuwan, who was appointed as Vice President - Business Development.
- (5) Ms. Amornrat Kongsawat was appointed to the Acting Vice President - Network and Fleet Management on February 1st, 2019
- (6) Mr. Chulin Kocharoen was appointed to the Acting Vice President - Sales on February 1st, 2019 replacing Mr. Varong Israsena Na Ayudhya who was appointed as Vice President – Marketing.

SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES OF CHIEF EXECUTIVE OFFICER

Scope of Authorities, Duties and Responsibilities of Chief Executive Officer can be outlined as follows:

● POLICIES AND GOVERNANCE

1. Jointly with the Executive Committee, supervise the determination of vision, business direction, policies, and strategies of the Company
2. Communicate vision, business direction, policies, and strategies of the Company as approved by the Board of Directors to senior executives of the Company as the outline in preparing work plans and managing business of each unit.
3. Ensure that the Company put in place business plan, annual budget plan, investment plan and Corporate Social Responsibility plan, of the Company to be in line with laid down policies and strategies. Consider such plans as propose for the Executive Committee's consideration.
4. Supervise the Company's operation to be line with the specified plans, including laws, rules and regulations of the relevant authority agencies and rules and the Articles of Association of the Company in order to achieve the targeted performances, in terms of both monetary and non-monetary.
5. Supervise the management of the Company to be transparent.

● FINANCIAL

Approve expenses incurred according to the business approved by the Board of Directors, the Executive Committee and according to the authorization.

● INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT

1. Ensure that the Company has an appropriate operational system for internal control according to guidelines assigned from the Executive Committee and/or the Audit Committee.
2. Ensure that the Company has an appropriate system for the management and control of risks according to guidelines assigned from the Executive Committee and/or the Audit Committee.

- **HUMAN RESOURCES**

Supervise the management of human resources of the Company in general.

- **COMMUNICATION WITH THE SHAREHOLDERS**

1. Acting as the Company's representative in communicating with the shareholders.
2. Encourage the Board of Directors in providing regular and appropriate communication channels with the shareholders. Provide transparent disclosure according to standards.

- **RELATIONSHIP WITH THIRD PARTIES**

Acting as the Company's representative in relation to public relation, particularly building networking and promoting the Company's good image nationally and internationally.

- **OTHERS**

Perform other duties as assigned by the Executive Committee

The Executive Committee or the authorized persons by the Executive Committee shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

SCOPE OF AUTHORITIES, DUTIES AND RESPONSIBILITIES OF PRESIDENT

Scope of authorities, duties and responsibilities of President can be laid out as follows:

1. Determine vision, mission, objectives, goals of the Company in determining the business direction in order to create a clear outline for everyone in the Company to comply systematically, and in the same direction.
2. Ensure that the Company conducts its business with integrity on the basis of rules, regulations and laws concerning transparency, and that the operation is accountable and fair to the shareholders, customers and all related parties.
3. Monitor and supervise results of operation and business performance and report to the Board of Directors and shareholders in order to estimate the tendency and determine the business direction.
4. Set policies in order to set managerial capability of the management for the preparation of the Company's personnel development, with an aim to the Company's survival and sustainable growth.
5. Determine long-term growth course to be ready for changes that might occur from economic environment and competitors to enhance the Company's effectiveness and potential in competing.
6. Manage command, control and monitor the performance of the supervisees.
7. Manage the business under ethics and good governance, while being responsible to society and environment in both short-term and long-term, which will lead to sustainable development.
8. Perform other duties as assigned by the Board of Directors.

The President or the authorized persons by the President shall not approve any transaction in which oneself or persons who may have the conflict of interest (as defined in the notifications of the Securities and Exchange Commission or the Capital Market Supervisory Board) may have interest or other benefits or may have conflict of interest with the Company or subsidiaries, except for the approval of transactions in accordance with policies and rules as approved by the shareholders or the Board of Directors.

● TABLE OF AUTHORITY

The Company's Board of Directors determined that certain transactions such as the annual investment budget, the proposal of annual expense budget, the approval of interim urgently required projects or assets exceeding THB 100.0 million, the approval of out-of-budget expenses exceeding THB100.0 million, the procurement, purchase and long term lease of aircraft and entering into agreements or transactions with related party on terms out of the ordinary course and the investment in business or securities for value of more than THB500,000,000, require approval from the Board of Directors.

Our executive directors are required to present to our Board of Directors, any investments in securities of entities which are connected or related to the Company or its directors or management, and any director(s) related to such entities will not attend or vote.

- **NOMINATION AND APPOINTMENT OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVE OFFICERS**

1. Independent Directors

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

1. Holding not exceeding 1% of the total shares with voting rights of the Company, its parent company, its subsidiary company, its associated company, or person who may have conflict of interest or controlling person of the Company, inclusive of the shares held by any related person of such independent director (related person shall mean person pursuant to Section 258 of the Securities and Exchange Act.);
2. Not being, nor having been, a director who participates in the management, an employee, staff member or advisor who receives a regular salary, or a controlling person of the Company, its parent company, its subsidiary company, its associated company, its subsidiary company at the same level, major shareholder or controlling person of the Company, unless the holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application to the Securities and Exchange Commission. However, such prohibition shall not apply in the case where such independent director has been a government official or consultant of the government sector, which is a major shareholder, or controlling person of the Company.
3. Not being a person who has a relationship by blood or registration under laws, as father, mother, spouse, sibling, and child, including spouse of child, of its executive officers, its major shareholder, its controlling person or the person who will be nominated to take up the position of director or executive officer or controlling person of the Company or its subsidiary;
4. Not having, or not having had, any business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company in a manner which may obstruct his independent judgment. Additionally, not being or not having been a substantial shareholder or controlling person of a person who has a business relationship with the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, unless such business relationship has been discontinued for at least two years before the date of submission of the application to the Securities and Exchange Commission.
5. Not being, or not having been, an auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder, controlling person of the Company, major shareholder or controlling person or the partner of the audit company for which the auditor of the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company has worked therein, unless such holding of the aforementioned positions has been discontinued for at least two years before the date of submission of the application to the SEC;
6. Not being or not having been a professional service provider, including service provided as legal counsel or financial advisor which is retained for a fee exceeding Baht two million per annum from the Company, its parent company, its subsidiary company, its associated company, major shareholder or controlling person of the Company, and not being major shareholder or controlling person or the partner of such professional service provider, unless such business relationship has been discontinued for at least two years before the date of submission of the application to the SEC;
7. Not being a director nominated to be a representative of a director of the Company, major shareholder or shareholder who are related persons to the major shareholder;
8. Not undertaking any business which has the same nature as and is in competition with the business of the Company or its subsidiary company or not being a partner of the partnership or a director who participates in the management, an employee, a staff member, or advisor who receives a regular salary or holds shares exceeding 1% of the total shares with voting right of other companies

- which undertakes business of the same nature as and is in competition with the business of the Company or its subsidiary company; and
9. Having no other qualifications causing any inability to express independent judgment in respect of the Company's business operation.

2. Directors and Executive Officers of the Company

The Nominating & Remuneration Committee shall set a criteria for selection of directors and executives of the Company pursuant to policies on Good Corporate Governance as specified by the Stock Exchange of Thailand with transparency as per the Corporate Governance principle.

If there is a vacancy or a need for additional member in the Board of Directors, the Nominating & Remuneration Committee shall convene to jointly propose nominees to request an appointment for the vacant or additional position to the Board of Director Committee by considering the appropriate knowledge, capabilities and business-related experiences that will be beneficial for the Company. The selected directors for the Company shall meet all the legal requirements according to Section 68 of the Public Company Limited B.E. 2535 (as amended) and the Notification of the Securities and Exchange Commission, and shall not fall within prohibited characteristic under the Securities and Exchange Act and relevant regulations. After the Board of Directors' Meeting comes to a decision, the selected nominee will be proposed to the shareholders' meeting for consideration (in a case-to-case basis).

The composition, appointment and withdrawal of the Board of Directors of the Company shall be as prescribed by the Article of Association which can be summarized as follows:

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

3. Audit Committee

The Company's Board of Directors shall appoint at least three members of Audit Committee from independent directors whose qualifications meet the requirements per the Notification of the Capital Market Supervisory Board and the Stock exchange of Thailand. A member of the Audit Committee will have to be qualified pursuant to requirements per the Notification of the Capital Market Supervisory Board including the followings

1. Not being a director authorized by the Board of Directors to make any decision in the business operation of the Company, its parent company, its subsidiary company, its affiliate company, its subsidiary company at the same level, major shareholder or person who may have conflict of interest of the Company;
2. Not being a director of a parent company, its subsidiary company or its subsidiary company at the same level which is a listed company;
3. Having sufficient knowledge and experience to conduct the duty as an Audit Committee member;
4. Must not be an Audit Committee member of a listed companies which in the same business or industry with the Company, and shall not be an Audit Committee member in other listed companies in the Stock Exchange of Thailand more than 5 companies, which may result in lack of performance in some companies.

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

● SUPERVISION OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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

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

● THE USE OF INTERNAL INFORMATION

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

1. Educate the directors and executives regarding their duties in reporting the Securities Holding Reports for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act, along with the Acquisition or Disposal of Securities Report for themselves, their spouses, and their minor children to the Securities and Exchange Commission as prescribed in Article 246, and the penalty as prescribed in Article 298 of the Securities and Exchange Act
2. The directors and executives of the Company, along with their spouses, and their minor children shall prepare and disclose the Securities Holding Reports and the Acquisition or Disposal of Securities Report of the Company's securities to the Securities and Exchange Commission as prescribed in Article 59, and the penalty as prescribed in Article 275 of the Securities and Exchange Act, and copies of such reports shall be submitted to the Company on the same day as submitted to the Securities and Exchange Commission
3. Directors, executives and employees of the Company and its subsidiaries, who have an access of any material inside information that can affect price of stocks, shall take precaution in trading of the Company's securities within 30 days before the financial statements or such inside information are disclosed to the public and within 24 hours after the said information is made available to the public. The person related to the information shall not disclose the information to the third party before the information is disclosed to the Stock Exchange of Thailand.
4. Directors, executives and employees of the Company shall not use any inside information received from their positions, that can affect price of the Company's securities and has not been disclosed to the public, for trading, or offering to buy or sell, or persuade others to buy or sell, or to trade other shares or securities (if any) of the Company, directly or indirectly, which may cause any damage to the Company directly or indirectly, regardless for their own interests or for others', nor shall they disclose the said information to others for compensations or nothing.

● AUDITOR FEE

In the fiscal year ending December 31, 2019, the Company has paid the audit fee to Rungnapa Lertsuwankul from EY Office Limited for the audit of the financial statement in the amount of Baht 5.2 million excluding other service fees.

The Meetings of the Board of Directors

• BOARD OF DIRECTOR'S MEETINGS IN 2019

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

In 2019, the Company set up 14 meetings of the Board of Directors and sub-committees with the details as follows:

Names of Directors	Board of directors	Audit Committee	Nomination & Compensation Committee	Corporate Governance Committee	Annual General Meeting of Shareholders 2019 ⁽³⁾
	(Total 11 Directors) Total 14 times / year	(Total 3 Directors) Total 5 times / year	(Total 3 Directors) Total 3 times / year	(Total 3 Directors) Total 4 times / year	(Total 11 Directors) Total 1 times / year
1. Air Chief Marshal Kaset Rochananil	14/14				1/1
2. Mr. Puttipong Prasarttong-Osoth	14/14				1/1
3. Pol.Lt.Gen. Visanu Prasarttong-Osoth	11/14				0/1
4. Mr. Pradit Theekakul	14/14				1/1
5. Mr. Sripop Sarasas	14/14	5/5	3/3		1/1
6. General Vichit Yathip ⁽¹⁾	4/14	2/5	2/3		0/1
7. Mr. Saharatna Benyakul	13/14	5/5		4/4	0/1
8. Mrs. Narumol Noi-am	13/14				1/1
9. Mrs. Ariya Prasarttong-Osoth	14/14			4/4	1/1
10. Mr. Anawat Leelawatwatana	14/14				1/1
11. Mr. Somboon Kittiyansub ⁽²⁾	14/14	2/5	3/3	4/4	1/1

หมายเหตุ:

- (1) General Vichit Yathip resigned the position of the Chairman of Nomination and Remuneration on May 6th, 2019.
- (2) Mr. Somboon Kittiyansub was appointed to the Member of Audit Committee on May 23rd, 2019 following the 5/2019 Board of Directors meeting.
- (3) The 2018 Annual General Meeting of Shareholders was held on April 18th, 2019

- THE PERFORMANCE EVALUATION FOR THE DIRECTORS

The Company has a policy for the Directors and the Sub Committee to evaluate their performances at least once every year. This policy is aimed to enable them to review their past works, issues and any obstacles during the past year, while also increase their work efficiency in accordance to the good corporate governance principle.

The evaluation is carried out in the following dimensions namely 1) Structure and Qualifications of the Directors 2) Role, Task, and Responsibility 3) The Directors' Performance during Meetings and on Duty 4) The Directors' Self-Development and The Executive Development.

The evaluation procedures for the Directors and the Sub Committee are as follows.

1. The Company's Secretary will distribute the Director's Performance Evaluation Form for all Directors to fill out as they must evaluate their annual performance as both the Committee and the Sub Committee. Upon completion, they must turn around the form back to the Company's Secretary.
2. The evaluation scores will be analyzed basing on their annual performance. The evaluation conclusion will subsequently be reported back to them to consider as to how to achieve the aforementioned goals.

● THE CORPORATE SECRETARY

The Company's Board of Directors appointed Ms. Tresarun Sitakalin as the Company's Corporate Secretary since January 28th, 2016, The Corporate Secretary's main duties and responsibilities are as follows:

1. Provide advice and recommendations to the Board of Directors in ensuring that its duties and responsibilities are in compliance with laws and regulations of the companies listed on Stock Exchange of Thailand, the Securities and Exchange Commission and relevant regulators.
2. Provide orientation sessions for new directors to explain the nature of the business, operating results, corporate plans, major investment projects, roles and responsibilities of the directors according to the corporate governance principles for companies listed on the Stock Exchange of Thailand and government regulators.
3. Annually inform the Board of Directors of the assessments, roles and responsibilities of the Board of Directors as advised by the Thai Institute of Directors and State Enterprise Policy Office.
4. Communicate information between the Company's and subsidiaries' directors in an effective manner and in compliance with the laws and regulations of the Stock Exchange of Thailand, the Capital Market Committee, the Securities and Exchange Commission, as well as relevant regulations and resolutions of the shareholders' meetings.
5. Coordinate and collect information from the management covering finance, budget, risk management, internal control, internal audit and report to the Board of Directors every quarter.
6. Prepare and compile personnel records of directors.
7. Retain complete records of policies and regulations of the Company that have been approved by the Board of Directors along with supporting documents and minutes for the Board Meetings.
8. Prepare and keep the shareholders' letters of invitation, supporting documents, and minutes of meetings with complete information within the timeframe of the law.
9. Maintain conflict of interest reports submitted by directors and executives.
10. Supervise and be responsible for the preparation and maintenance of annual statements (Form 56-1) and annual reports (Form 56-2).
11. Ensure that information is disclosed and reported to the regulatory agencies.
12. Support the directors in proceeding in line with good corporate governance practices of listed companies according to Good Corporate Governance Guidelines for Listed Companies (2012) of the Stock Exchange of Thailand and ASEAN CG Scoreboard. This includes director training courses, annual self-assessment of the Board of Directors and reporting assessments to the Board of Directors to acknowledge and consider for further implementation of the operating development plan.
13. Carry out other missions as assigned by the Board of Directors.

● COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

1. Monetary Compensation

- Remuneration of Directors

In 2019, the total remuneration paid to our 11 directors was THB 28.38 million, which was paid in the form of meeting allowance and annual returns with the following details:

Names of Board of Directors and Positions	Remuneration	Allowance					Total Remuneration as Directors (million Baht) In 2019
		Board of Directors	Committee	Executive Committee	Corporate Governance Committee	Nomination & Remuneration Committee	
1. Air Chief Marshal Kaset Rochananil Chairman	3,000,000.00	1,680,000.00					4.68
2. Mr. Sripop Sarasas Director / Independent Director / Chairman of the Nomination and Remuneration Committee / Chairman of The Audit Committee	1,288,888.89	840,000.00	300,000.00			90,000.00	2.52
3. General Vichit Yathip Director / Independent Director / Chairman of Nomination and remuneration / Chairman of ember of Audit Committee	400,000.00	300,000.00	80,000.00			90,000.00	0.87
4. Mr. Saharatna Benyakul Director / Independent Director / Member of Audit Committee/ Member of Corporate Governance Committee	1,288,888.89	780,000.00	200,000.00		90,000.00		2.36
5. Mr.Somboon Kitiyansub Director / Independent Director / Chairman of Corporate Governance Committee / Member of Nomination and remuneration / Member of Audit Committee	1,288,888.89	840,000.00	80,000.00		180,000.00	90,000.00	2.48
6. Pol.Lt.Gen. Visanu Prasattongosoth Director	1,288,888.89	660,000.00					1.95
7. Mrs. Narumol Noi-am Director	1,288,888.89	780,000.00					2.07
8. Mrs. Ariya Prasarttong-osoth Director / Member of Corporate Governance Committee / Member of Nomination and remuneration	1,288,888.89	840,000.00			120,000.00		2.25
9. Mr. Anawat Leelawatwatana Director / Member of Executive Director	1,288,888.89	840,000.00		720,000.00			2.85
10. Mr. Puttipong Prasarttong-Osoth Vice Chairman / Member of Executive Director	1,288,888.89	840,000.00		1,380,000.00			3.51
11. Mr. Pradit Theekakul Director / Member of Executive Director	1,288,888.89	840,000.00		720,000.00			2.85
Total	15,000,000.00	9,240,000.00	660,000.00	2,820,000.00	390,000.00	270,000.00	28.38

- Remuneration of Executive Officers

In 2019, the total remuneration paid to the chairman of the Executive Committee, the President and our 19 executive officers of was approximately THB 266 million, which was paid in the form of salary, bonus and other remunerations.

2. Non-monetary Remuneration

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

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



Report of the Nomination and Remuneration Committee

Dear Shareholders,

In 2019, the Nomination and Remuneration Committee held three committee meetings to consider important guidelines on the following nomination and remuneration matters.

- a) Appointing new Directors to replace those who have either completed their terms or resigned from the committee. In appointing the new Directors, there are diverse criteria taken into consideration including proper qualifications, knowledge, caliber, experience and expertise in the commercial airline business and related fields. It's also important to understand their level of leadership, business vision, and a good attitude towards sustainable business operation which is deemed crucial to The Company. They must also be relevant to the present context of the aviation industry in which explains the competitiveness environment in the commercial airline business.
- b) Selecting a replacement of the Chief Executive Officer by considering knowledge qualification, experience in running a large business entity, vision, and work concept that fits airline business operation and other related businesses. The right candidate must also obtain morality and ethics in managing and supervising on good corporate governance policy, leadership skillset, and ability to constructively adapt the corporate structure to align with The Company's policy effectively and efficiently.
- c) Determining appropriate remuneration for the Board of Director's, and the Sub Committees by their job assignment, responsibility, and performance; while the overall business turnover, the situation of The Company's business, and other key factors that may affect The Company's business operation, commercial aviation business, or the overall economic situation, are also taken into consideration. The committee also compares the remuneration among other companies within the same industry while referring to the performance evaluation following the annual evaluation form for an appropriate, transparent, and verifiable remuneration. Meanwhile, the remuneration for the Board of Director's, and the Sub Committees are disclosed in this annual report.

Employees and Training

- Overview

As of December 31st, 2019, the Company had 3,010 employees divided by function as follows:

		As of December 31 st , 2019
Flight crew	Pilots	361
	Flight attendants	635
Ground Personnel	Ground services	458
	Maintenance	399
Other centralized functions	Marketing, reservations	137
	Others	1,020
Total		3,010

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

The Company strives on creating motivation to keep the employees to stay with the Company by offering appropriate remuneration through work evaluation. This includes heightening their skills through trainings. The Company encourages to attend meetings and trainings constantly in order to be equipped with relevant skills and calibers. Also, on-job trainings is another important approach to pass on knowledge from the experienced employees to the new recruits or those of entry levels. Investing in human resource helps increase the caliber of employees. These skill development will gradually prepare the mid and entry levels employees to be able to handle the responsibilities of the high-levelled executives in the future.





- **The Provident Fund**

The Company has set up a Provident Fund on January 1st, 1999 with the Siam Commercial Asset Management Co., Ltd. with an objective to promote long term saving for the employees and forming up security for the employees and their families in case of having to leave the Company, retiring, or passing away, Besides, the Provident Fund is a motive for the employees to remain with the Company for a long period of time which creates a bond between the employees and subsequently helps with work efficiency. On December 14th, 2000; the Company appointed the Mutual Fund Public Company Limited, which later on changed its name to the MFC Asset Management Public Company Limited; as a provident fund asset management company. The Company contributes 3-8% of the employees' salaries into the provident fund and employees pay the fund to accumulate at the rate of 3-15% of the employees' salaries.

Human Resource Development Policy

- Training for the management and employees

The Company constantly promotes and supports the employees' performance development by organizing several training sessions, both internally and externally, for the Management and the employees to respond to The Company's mission in promoting and supporting employees' performance development in accordance to Core Values, Core Competency, Leadership Competency, and Functional Competency as stipulated by The Company. Also, The Company focusses on developing the suitable curriculum for staff in each line of operation and level in order to efficiently drive forth the business for The Company. There are a number of courses that are designed in collaboration with leading institutions and/or Universities in Thailand both intensive and long term such as the Fundamental Development Program, the Fundamental Airline Business Management Program, the Leadership Development Program, and the Supervisory Skills Program. Moreover, The Company also held many different trainings such as the General Training for basic skill development, the Internal Trainer Program which is a compulsory program for internal trainers and Skills Enrichment Program as included in The Company's annual training plan to support the corporate strategy on a yearly basis. The Company always realizes

a significance of the employees' performance development at all levels from the new recruits to the current employees to ensure that all personnel are up to standard and prompted with required skills and knowledge to be tasked in an efficient manner.

The Company values and always fosters personnel development. Hence, there's a policy that encourages personnel to create the Individual Development Plan – IDP through SAP Success Factors: PG-HRC. Each year, employees and their superiors will create a development plan together to identify their development methods which can be various for examples, attending an internal program by The Company, or other types of skills such as Job Rotation, Self-Learning, etc. After completing the Individual Development Plan, the employees will be evaluated from what they've learnt through feedbacks from the trainer or anyone involved in the process. The employees and their superiors will use this information to plan on another individual development plan in a following year. This is another commitment of The Company to sustain the learning culture in order to further develop its personnel towards professionalism and aim to the goal of being the best airline in Asia.

Overall Human Resource Development

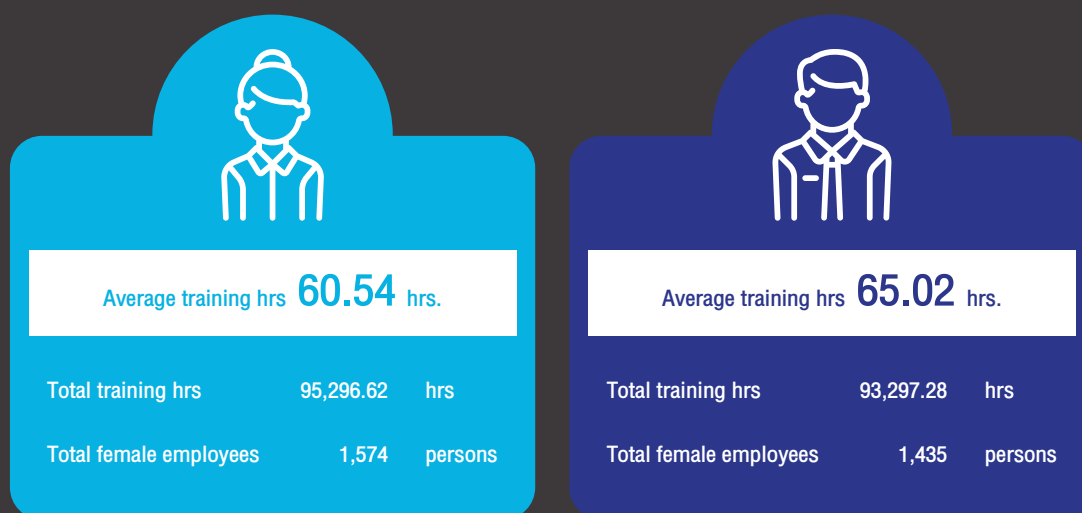
Human Resource Development Summary

Average training hours per person per year	2017	2018	2019*
The Management and staff	73.64	73.01	62.68

*Remarks: As of December 31st, 2019

Average training hours per person per year

- Average training hours per person per year by sex



- Average training hours per person per year by Level



Remarks: As of December 31st, 2019

Annual Change of the Directors and management's holding⁽¹⁾

Name	Shares volume on 10/3/2018	Shares volume on 13/3/2019	Change of shares volume
1. Air Chief Marshal Kaset Rochananil	700,000	700,000	-
2. Mr. Puttipong Prasarttong-Osoth	523,987,900	523,387,900	-
3. Pol.Lt.Gen.Visanu Prasattongosoth	300,000	300,000	-
4. Mr.Sripop Sarasas	-	-	-
5. General Vichit Yathip ⁽²⁾	300,000	300,000	-
6. Mrs. Narumol Noi-am	400,000	350,000	Down 50,000
7. Mr. Pradit Theekakul	9,000,000	9,000,000	-
8. Mr. Anawat Leelawatwatana	287,000	293,000	Up 6,300
9. Mr. Saharat Benyakul	-	-	-
10. Mrs. Ariya Prasarttong-Osoth	243,440,900	243,440,900	-
11. Mr.Somboon Kittiyansub	-	-	-
12. AM.Dechit Chareonwong	-	-	-
13. Mr.Christophe Clarenc	36,900	36,900	-
14. Mr.Prote Setsuwan	28,000	28,000	-
15. Mr.Nijjapat Piyapant	5,000	5,000	-
16. Ms.Tesarun Sitakalin	31,500	31,500	-
17. Ms. Aninya Nateprapai	2,600	2,600	-
18. Mrs.Chanthip Thongkanya	-	-	-
19. Mr.Varong Israsena Na Ayudhya	-	-	-
20. Ms. Poonsuk Teerawanichphol	-	-	-
21. Mr.Tongsook Chompoonuch	-	-	-
22. Mr. Pairoch Chantasilp	-	-	-
23. Ms.Amornrat Kongsawat	9,800	9,800	-
24. Mr.Chulin Kocharoen	-	-	-

Remarks:

- (1) This table shows shares volume comparison on the book closing day in preparation of the 2018 and 2019 annual reports.
 (2) General Vichit Yathip resigned the position of the Director, Chairman of Nomination and Remuneration and Member of Audit Committee on May 6th, 2019.



Capital Structure

As of March 13th, 2019, the company's top ten shareholders are:

Names of Shareholders	As of March 13 rd , 2019	
	Number of shares	%
1. Puttipong Prasarttong-Osoth and spouse	524,187,900	24.96
2. Ariya Prasarttong-Osoth	243,440,900	11.59
3. Prasert Prasarttong-Osoth	223,027,500	10.62
4. Poramaporn Prasarttong-Osoth	136,250,000	6.49
5. Bangkok Bank Public Company Limited	105,000,000	5.00
6. Somruthai Prasarttong-Osoth	77,542,900	3.69
7. Sahakol Estate Co., Ltd. ⁽¹⁾	63,934,400	3.04
8. Thai NVDR Co., Ltd.	61,569,007	2.93
9. Bualuang Long-term Equity Fund	54,552,400	2.60
10. N.C.B.TRUST LIMITED-NORGES BANK 11	45,900,500	2.19

Remark:

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

Dividend Policies of the Company and Subsidiaries

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

1. Dividend Policies of the Company

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

2. Dividend Policies of Subsidiaries

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

Corporate Governance

The Company upholds and complies with the principles of good corporate governance in operating the Company's business by the directors, management and employees; and considers that the principles of good corporate governance is an essential factor to support the overall achievement of the Company as the organization responsible for the society. The Company's policies on corporate governance will comply with the guideline on good corporate governance in accordance with the Principles of Good Corporate Governance for Listed Companies, 2012 set by the Stock Exchange of Thailand. The details of the policies on Good Corporate Governance are as follows:

- **Good Corporate Governance**

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

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

1 Shareholder's rights

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

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

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

2 Equal treatment to shareholders

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

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

3 Stakeholder’s roles

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

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

Moreover, “the Company” already has the corporate social responsibility policy in place. This policy is based on the social and environmental factors which relate directly to the business.

To achieve the objective of this practice; the key stakeholders are the clients, business partners, employees, shareholders, investors, creditors, community, social units, government sector, business competitors, etc.

4 Disclosure and transparency

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

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



5 Responsibility of the Board of Directors

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

Good practice : The Board of Directors consists of directors who obtain various work experiences, skills, and expertise in particular fields which contribute benefits to the business of “the Company”.

The Directors are to perform their duties with integrity, carefulness, and meticulousness; while consider the highest benefits for “the Company” and to the shareholders as a whole. All Directors are prompt to devote time to perform their duties that they are responsible for to the most of their capacity. It’s also a duty for the Directors to attend every Board’s meeting unless when there’s an appropriate reason for their absence.

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

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

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

Report of the Corporate Governance Committee

Dear Shareholders,

Presently, the Corporate Governance Committee of Bangkok Airways Public Company Limited consists of three Directors. They are all independent from any management position of The Company, so is the Chairman of the committee.

In 2019, there were altogether four committee meetings held to consider policy stipulation in supporting the committee's tasks in various aspects including adhering The Company's business operation to the good corporate governance principle.

- Creating two-year work plan on Corporate Governance (2019-2020) with an objective to bring the Corporate Governance principle recognized internationally into practice. While also improving the business operation guidelines to comply with the Corporate Governance principle in a tangible manner.
- Creating the Anti-Competition Policy with an aim for the committee, the executives, and all staffs to realize the importance of the practice compliant to the 2018 Trade Competition Act by considering business ethics, customer and partner's benefits, and competition fairness among business counterparts.
- Stipulating measures and guidelines for the business operation to comply with the General Data Protection Regulations – GDPR. This includes the preparedness for the 2019 Personal Data Privacy Protection Act to be effective on May 27th, 2020 with an emphasis on the Information Security. These measures are to give assurance that The Company's business operation follows the international standard on personal data protection and that The Company complies to the abovementioned law accurately and completely. To minimize any wrongdoings that may cause violation of such law, the committee appointed a working committee to improve the work process and The Company's policy concerning collecting, using, and disclosing passengers' personal information strictly in a completely lawful manner.
- Supervising on follow-up and communication of the new law's guidelines which may affect the business for examples, the Debt Collection Announcement under the Electronic Transaction Act (Revised version in 2019) and the 2019 Cyber Security Act.

- Considering the evaluation of the practice of The Company's Corporate Governance guidelines under the Corporate Governance Report of Thai Listed Companies in 2019 by the Thai Institute of Directors by bringing together the evaluation outputs and recommendations to analyze, set the framework and guidelines for the Board of Directors to consider.
- Learning about Facebook's digital currency: Libra, following the announcement of its launch; and the CBDC digital currency of the People's Bank of China; and the impact they may render to The Company's business. This includes the business adaptation guidelines to synchronize these new digital currencies into the business.
- Promoting paper usage reduction campaign by sending all meeting materials in a digital form to the committee's portable computer devices in order to help reduce paper usage as well as shortening the meeting preparation process.

The Corporate Governance Committee is determined to perform their duty in supervising The Company to run business under the policy and the good corporate governance principle compliant to the international standard. The committee also examines, supervises, and evaluates The Company's performance outputs systematically to support the Directors towards their efficient performance in order to further develop towards a sustainable business growth.



(Mr. Somboon Kitiyanasap)

Chairman of the Corporate Governance Committee
Bangkok Airways Public Company Limited

The Company's Corporate Social Responsibility

Overall Policy

Bangkok Airways Public Company Limited realizes and values an involvement in social responsibility as stated in one of the missions that “**The Company is always committed to support and engage in social service and contribution,**” in order to achieve The Company’s vision: “**Striving on excellence towards the best airline of Asia**”.

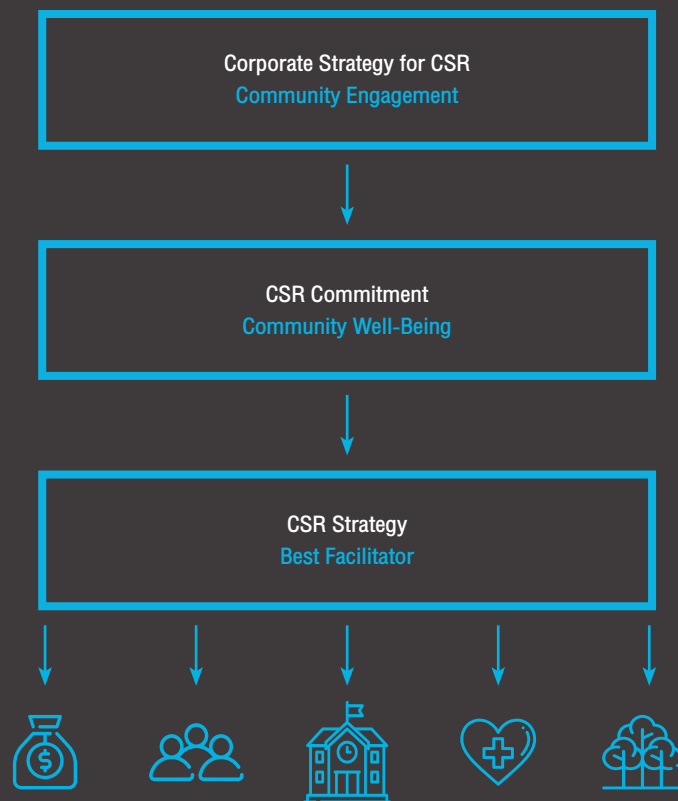
The Company's Policy in Corporate Social Responsibility management

The Company has stipulated a policy in Corporate Social Responsibility management with an emphasis on staff performance towards responsibility of all stakeholders, so that the work is done in an efficient and sustainable manner under these following seven principles.

1. Corporate Governance	Adhere to the principle of good corporate governance.
2. Performance	Strive on developing the route networks in order to efficiently respond to the travel needs.
3. Knowledge	Always develop skillset, knowledge, and expertise for employees including the conditions that contribute to a learning environment of The Company.
4. Safety	Manage safety among all levels of stakeholders, while plan out on business continuity.
5. Humanity	Consider humanitarian principles, while emphasizing on human rights as far as stakeholders are concerned.
6. Social	Support social activities and instill the sense of social development and responsibility among staffs at all levels.
7. Environment	Realize and follow the rule of law on environmental issues relevant to the business operation.

CSR Vision and Strategy

On the social front, Bangkok Airways Public Company Limited is determined to develop the well-being of the community surrounding the airports or within The Company's route networks with an aim to drive forth a sustainable growth for both The Company and the community alike. This has been done by deploying a strategy of supplying and linking knowledge into the community to leverage the well-being of the peoples in five dimensions namely economy, society, education, health, and environment under the “BLUE HEART – A Love to Share” concept. This sharing concept embodies sincere commitment in cultivating social responsibility, and the environment conservation through several projects. This is an opportunity for The Company to provide for the community proper value, experience, inspiration and participation.



Enrichment of Knowledge and Skill to Employees

The Company perceives that human resource is the most important factor. Therefore, the development focus is on human resource management and development process, and all stakeholders. By enhancing this development, The Company continuously organizes training sessions on skill development both internally and externally for each different level of staffs including the management. The Company also strives on driving forth its business by focusing on specialized courses for staffs in any particular career path in order to provide skill enrichment, knowledge, and specialization to ensure that all staffs are well equipped with proper knowledge and are prompted to perform their duties efficiently.

Knowledge and Innovation Management

This is aimed to provide access to knowledge for everyone in The Company as they can access knowledge and continue to intensify their skills to become specialists, as well as performing their duties in a more efficient manner. This activity also makes a significant mechanism in building up a “Learning Organization” mindset which enhances staffs towards learning and continuously strengthen their potential which will subsequently result in the highest competitiveness for The Company.

Managing knowledge within The Company driven by the key mission is basically about creating culture that promotes exchange of knowledge as to pave way towards becoming a “Learning Organization,” integrating Knowledge Management into employees’ work, and developing technology that contributes to knowledge management and an access to it. In 2019, The Company initiated several knowledge exchange culture and human resource development activities as follows.

- **Knowledge Sharing Activity**

This activity enables employees at all levels to have an opportunity to share their creative ideas through innovations under the following five categories.

1. Service Innovation
2. Process Innovation
3. Product Performance Innovation
4. Profits / New Business Model Innovation
5. Green Innovation

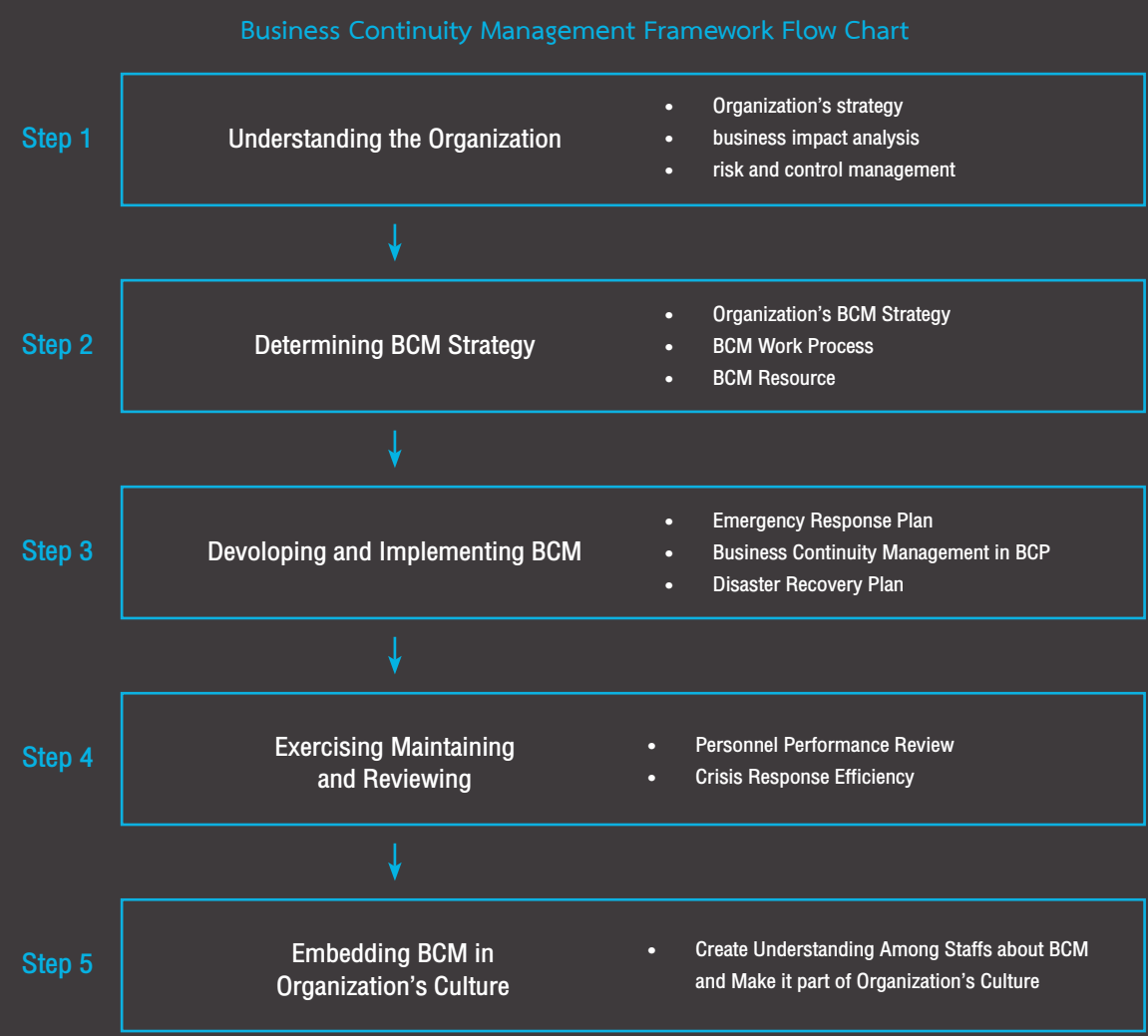
In 2019, there were altogether 40 entries. Five winners have been selected with one PG Innovation Popular Vote Award.

- **The Knowledge Management on The Intranet (SharePoint)**

The Company has an internal Internet system known as PG Online. This platform is used for internal communication with relevant data for employees. For the Knowledge Management activity, The Company has integrated the system to support employees’ work, general knowledge from both the internal and external sources. They are kept in various forms such as articles, VDO clips, etc.; and get updated from time to time.

Business Continuity Management

The Company is determined to succeed in Business Continuity management (BCM) which comprises two main businesses namely the airline business and the airport business. This management is aimed to build confidence among all stakeholders that The Company is capable of coping with any disruptive situation. Furthermore, the business can still be run in a continuous manner, while also making the organization resilient in an efficient way.



The Company's Business Continuity Management Policy focuses on the preparedness in response to any unexpected crises which may disrupt the business operation of The Company. It's aimed to bring back the key activities within the timeframe while also minimizing impacts it may cause on employees, brand image, reputation, and assets. This policy is also in line with the international standard in the Business Continuity Management (ISO 22301).

In 2019, The Company made plans such as the revision of Organization's Business Continuity Management Policy, Business Impact Analysis, Business Continuity Plan, Business Continuity Plans Test. All these plans have been carried out consistently and covering areas of operation in both airline and airport businesses.

Emergency Response Plan

To ensure that The Company is prepared to respond to any emergency that may occur and to comply with the regulation of IATA Operational Safety Audit (IOSA) and The Company's Crisis & Emergency Response Manual (CERM) certified by the Civil Aviation Authority of Thailand which states that personnel in charge of emergency response must undergo a proper training on their roles assigned in the emergency plan at least once a year; the Department of Emergency Response, therefore, held a training and emergency response rehearsal aiming particularly at accident of an aircraft to both

permanent and contractual employees at all stations under which The Company operates. This includes high-level executives, management, and officer-level staffs at the head office, as for all employees to understand and realize the importance of preparedness towards any incidents with an emphasis on how to take care of the passengers, staffs, relatives, and others who're affected in order to minimize damage both directly and indirectly. Also, The Company must be able to bring back the situation to business as usual within an appropriate timeframe in compliance with the law.

Occupational Safety for Employees

The Company emphasizes on occupational safety for all staffs and in between the work process to ensure that employees, passengers, business partners, contractors, and visitors are safe. This is done on a basis of law, safety standard recognized domestically and internationally, and The Company's regulation and policy to prevent risk on safety, health, and working environment.

The Company promotes activities in safety, health, and working environment systematically in compliance with The Company's standard and the law. The Safety Day activity has been held consistently in

different areas. In 2019, Trat Airport was awarded the Outstanding Enterprise Model in Occupational Safety, Health, and Environment (Provincial tier); and Phuket Station received a commemorative certificate from the Zero Accident Campaign initiation.

Moreover, The Company encourages to submit reports on Occupational Safety, Health, and Environment consistently through the Integrated Quality and Safety Management System (IQ SMS OSH) in order to make use of such information to plan on the occupational safety management for employees.

Social Work

Under the “BLUE HEART – A Love to Share” concept, The Company by the Corporate Social Responsibility Division is engaged in two main social work projects namely Community of Love Project, and Love Earth Save Earth Project with details shown in the following chart.

Love Earth Save Earth	Community of Love
<ul style="list-style-type: none"> Mangrove Planting with Bangkok Airways Coconut Planting for Samui Love the Sea (Samui) Waste Management Project United for Wildlife Project 	<ul style="list-style-type: none"> Community Well-Being Development in 5 Dimensions (Economy, Education, Society, Health, and Environment) Renovation for Public Use (Community, Temples, Schools) PG Edugether Scholarship Project

However, the corporate strategy in Corporate Social Responsibility emphasizes on taking care of the communities surrounding the three airports namely; Samui Airport, Sukhothai Airport, and Trat Airport. In 2019, the Corporate Social Responsibility Division initiated more than 12 projects to develop the betterment of the community’s living condition at all the three airports with supports from local staffs who consistently visit the communities and interact with the people to build good relationship between The Company and the communities. This activity helps The Company and the communities maintain a good understanding between each other, reducing conflicts, and bringing more collaborations.

The Company’s Projects for Community Development are as follows.

- School building project at Wat Boontarikaram School in Samui, Surat Thani Province** This school is situated adjacent to Samui Airport. This project is initiated in the light of providing ample space for standard classrooms and expanding capacity to accommodate school pupils.
 - Construction Subsidy for the office of the Public Health Volunteer of Samui** This project, built in the area of the Public Health Office of Samui, is aimed to be a space where the volunteers can meet to learn, sharing skills, and planning on their public health missions.
 - Ruam Jai Pat Project** is a community development project consisting of three villages (8 communities) around the vicinity of Samui Airport.



- The Elderly People's Skill Development Project in corporation with the Government Saving Bank** The Company signifies the fulfilment of the elderly people's skills for them to live up a healthy life, both physically and mentally. This belief is in line with the policy of the Government Saving Bank under the concept of "Save money, save your health." Under this project in 2019, there were mobile dental clinic activities (with a support from iServe Thailand) in Samui, Sukhothai and Trat; where eye examination service, eyeglasses assembly service, health check-up and fun activities were provided.



- Coconut Trees Planting in Samui** Samui is known as one of Thailand's most important coconut growing areas. The Company realizes how important to conserve this agriculture expertise of this island; therefore, the Coconut Trees Planting for Samui Year 1 – 5 has already been campaigning among the public and the farmers to plant more coconut trees which has now become a symbol of the island's tourism.



- The Mangrove Planting Activity with Bangkok Airways in Trat** The Company understands the importance of the mangrove. Apart from expanding the green space, the mangrove forest is also an important source of carbon dioxide, home to immature marine animals. Moreover, it also helps reduce erosion from impact of the wave and replenish soil along the coastline. The Company has carried out this project since 2017 until now.



- Community Career Promotion Projects** The Company initiated several projects to help create careers within the community for examples, baking coconut milk toffee at Bang Rak community in Samui in collaboration with the Department of Community Development, the Ministry of Interior; and the Banana Leaf Village at Klongkrajong, Sawankaloke District, in Sukhothai province.



- **The Waste Separation from its origin to the other end with sustainability, in collaboration with Central Family Mart Co., Ltd.** The Company in collaboration with Central Family Mart Co., Ltd. is engaged in raising awareness in waste separation from its origin and waste reduction to students at Ban Bang Rak School in Samui, Surat Thani province; through a workshop titled “Waste Separation from its origin to the other end with sustainability.” Albeit small, this activity is believed to further take shape as the students come together to take part in solving problems concerning the environment in Samui.



- **English Club with Bangkok Airways** Sukhothai province is one of the key target areas for The Company’s plan on executing corporate social responsibility initiative in a dimension of education. Beginning in 2019, The Company started off with Wall Street English Thailand to create English activities and enhance English learning to students in rural areas.

- **Waste Management Project (Separate waste with benefits)** Apart from consistently following the policy of waste reduction and waste management from the previous year; in 2019, The Company in collaboration with Securities and Exchange Commission (SEC) and 12 other corporations in the capital market along with Thailand Responsible Business Network (TRBN) participated in the Market Governance Promotion Initiative in Celebration of the Auspicious Occasion of His Majesty the King’s Coronation to follow the royal initiative on the self-sufficient economy by running business with responsibility and considering the benefits it may have on society and environment by declaring a campaign to use only eco-friendly material and carry out efficient waste management with in The Company.



The Environment

The Company operates airport business and commercial aviation business which are categorized under the air transport project. Thus, The Company's required to prepare an Environment Impact Analysis report following the announcement of the Ministry of Natural Resources and Environment, approved by the Environment Impact Analysis Specialist Committee on the infrastructure as well as all other aspects.

From the consensus of all three airport projects namely Samui Airport, Sukhothai Airport, and Trat Airport; these airports must strictly follow the measurements on prevention, impact minimization, and impact monitoring on the environment every six months. By following these measures, the impacts on the environment covers four categories namely physical environment resources, biological environment resources, value on benefits to human being, and value to quality of life. It's important to monitor the quality of the environment in many aspects such as air quality, noise level, vibration,

water quality on the soil surface, water quality under the soil, wildlife resources, biological marine resources, social and economic condition and public participation. By following these measures, the airports can perceive impacts they cause on the environment. Thus, they could rectify any shortcomings promptly.

The Company has a flight operation measure in place to reduce the impact it renders, particularly on the air pollution. This is done by maneuvering the aircraft in the airway by using a single engine. Besides reducing the air pollution from the engine, this method also helps with lesser fuel consumption. Furthermore, each flight is also operated with a consideration in minimizing the noise impact on the community. Therefore, this operation is done with the least noise release to the environment adjustable to each airport's landscape. By reducing the fuel consumption on efficient flight operation, The Company could save more than 300 Million Baht per year.

Anti-Corruption Policy

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

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

The Company has established the following guidelines for preventing corruption:

1. Define the principles for giving or receiving gifts or entertainment as part of the Company's Code of Conduct. Employees must not offer, demand, receive, or agree to receive money, items, meals, entertainment, or any other benefits which may give rise to the suspicion of bribery and corruption behavior. Gifts received should be modest, and should not be cash or cash equivalents. Employees must always be aware that all actions and non-actions must take into consideration transparency, fairness, and accountability.
2. Set out regulations on procurement, and objectives for entering into transactions, entering into agreements, and disbursement; whereby each step requires definitive supporting documentation, as well as specify approval limits and authorization approvals for each level
3. Arrange to put in place an internal audit system to cover finance, accounting, recording information, and other aspects of accounting and finance to ensure that financial transactions are entered into for approved purposes, and that business is conducted with transparency.
4. Communicate the values of Good Corporate Governance, as well as the Anti-Corruption Policy, to work units within the Company, its subsidiaries, and the businesses over which the Company has controlling power via various channels such as employee training, the Company's internal communication channels, such as the Company's website or intranet, to inform the relevant parties to ensure further compliance.

5. The Audit Committee has the duty to audit and review transactions of the Company to ensure that the Company has sufficient good corporate governance in line with the relevant policies and requirements. If the Audit Committee has found or has any question about any transaction or action which may affect the Company's transparency in its business operation, the Audit Committee may independently report such a transaction or action to the Board of Directors and/or the President (as the case may be as it deems appropriate) in order for the issue to be addressed timely and appropriately.
6. Establish whistleblower channels for reporting to or filing complaints with the Audit Committee in the event that encounter situations which may constitute dishonest behavior or misconduct by individuals, as well as the Company. Whistleblowers can raise their concerns or file complaints, and submit details and evidence by mail to the following persons at Bangkok Airways Public Company Limited, No. 99 Mu 14, Vibhavadirangsit Road, ChomPhon, Chatuchak, Bangkok 10900, based on the type of issue as follows:

Issue	Recipient
<ul style="list-style-type: none"> Violations of the law, dishonest behavior, violations of the work rules and Code of Conduct 	<ul style="list-style-type: none"> The President or the highest-ranking officer of the Human Resources Department
<ul style="list-style-type: none"> Matters which affect the reputation and image of the Company 	<ul style="list-style-type: none"> The President
<ul style="list-style-type: none"> Non-compliance with the Code of Conduct by Directors 	<ul style="list-style-type: none"> The Chairman, the Chairman of the Audit Committee, or the Company Secretary
<ul style="list-style-type: none"> Irregularities regarding financial transactions 	<ul style="list-style-type: none"> The Chairman of the Audit Committee

7. In order to prevent any potential adverse impact on whistleblowers, the Company has put in place mechanisms to protect them by establishing a confidentiality policy regarding their identity. Therefore, if information regarding whistleblowers is disclosed, persons who are responsible for such information shall be subject to disciplinary action in accordance with the Company's Work Rules.

The Internal Control and the Risk Management

1. The Internal Control and the Risk Management

Bangkok Airways Public Company Limited realizes the importance of the Internal Control which lies among significant factors that help The Company achieve the business goal. For this reason, The Company has created the Internal Control System in accordance with COSO (The Committee of Sponsoring Organizations of the Treadway Commission). This is considered a task and responsibility of all personnel in The Company. The Internal Control System must be in place at all work process in multifaceted dimensions including the Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The Internal Control System has been evaluated with details as follows.

- **Control Environment**

The Company has an adequate Internal Control which enhances good corporate governance. The Company instructs and facilitates staff to better understand about the Internal Control and to create positive perception towards the matter. The Company also promotes good conscience among all staff in performing their duty with an emphasis on the importance of the Internal Control, the maintenance of the Control Environment through activities and all task deliveries as follows.

1. Stipulate the good corporate governance policy and business ethics to prevent staff from having any conflicts of interest between personal benefits and The Company's business. This also covers deploying appropriate measures against any actions that may violate the policy.
2. Adjustment of the organization structure is carried out to be in line with the current airline business situation. The change must be followed up consistently in response to flexible and appropriate business operation. This adjustment must also be practical.
3. Stipulation of policy in Management of Change is in place as to lay out methods in managing risks from each operation of the corporate structure to align with the ever changing situation within The Company so that the continuation of business activities doesn't get disrupted, while The Company is also be able to plan and manage to minimize any illicit impacts prone to occur as a result of any organizational changes.

The Company also evaluates any factors that may affect the change in corporate environment for examples; politics, issuance of new regulations, law, economy, technology, and business environment; to create a sound environment that enhances success and efficiency of the Internal Control.



- Risk Assessment**

The Company has in place an Enterprise-wide Risk Management with a consideration in the ever-changing business situation. Of late, The Company has faced the disruption in technology which affected the customer behavior, and the competitor set. This caused an organization restructuring. New divisions have been created to cope with potential risks for examples, the Digital Sale Division, Customer Service and Experience Division, and Corporate Clients Data Analysis Division.

The Management has reviewed and revised the process, strategy, values, and corporate culture by considering the company-wide risk assessment including the risks in strategy, business operation, rules and regulations, and finance. This risk evaluation and analysis are pursuant to The

Company's business operation plan with an objective to achieve the goal and decision, while aiming to apply to other elements for a better performance of The Company. This is a mechanism in driving forth the good corporate governance. The Company was also certified ISO9001:2015 which incorporates a regulation to comprehend The Company and its context; the stakeholders' demand and expectation. This also includes all other regulations that help create a fundamental understanding in process-oriented management and the risk concept which are an indispensable part of the corporate sustainability.

Details in the risk management are mentioned under the **"Risk Management and Risk Factors"** topic.



- Control Activities

Both efficient and effective Control Activities must be designed appropriately while considering potential risks in preventing or reducing possible losses or mishaps, as well as achieving the Internal Control's objective. For the Control Activities in each department of The Company, duties are reasonably segregated within each department. No specific staff must be assigned for an important task or at risk for loss all by himself/ herself unless necessary. In that case, other relevant Control Activity must be implemented to ensure a task completion under the duty's objective.

For the procurement process, The Company has continuously improved and developed a process on transparency and verification. There must also

be a fair competition under policy and regulations that have been laid out on demand requirement and budgeting, procurement preparation, procurement, and contract management.

For transactions between companies or between subsidiary and the major shareholder, Directors, Executives, or any individuals who are related to The Company; The Company has in place a clear policy and procedure in completing each transaction in a transparent manner through proper authorization as strictly stipulated in the policy without any intervention of the stakeholders. The transactions are always reported to the Audit Committee and the Directors with regular performance monitoring.

- **Information and Communication**

The Company has sufficiently implemented the work on Information and Communication in its business operation including the business management that's based on both internal and external data analysis. The Company has improved the overall Control Procedure and the safety of the Information System in accordance with the ISO 27001 as a framework towards the international standard. For the personal information protection, The Company has leveraged the standard pursuant to the Data Privacy Law and the relevant benchmark particularly on the General Data Protection Regulation – Europe (EU-GDPR), effective on May 25th, 2018.

The Company has in place a thorough, credible and up-to-date internal and external communication through its Intranet and The Company's website

to communicate all internal and external news and information within The Company for examples, The Company's business performance, government regulations, Customer Satisfaction Survey, projects and awards, etc. The objective of the communication is to allow all stakeholders to witness the transparency of information in which reflects upon their confidence towards The Company business operation. Meanwhile, The Company has opened a channel of Whistle Blower for both inside and outside individuals of The Company to be able to report any corruption activity under the Anti-Corruption Policy; also for complaints and suggestions from the outsiders such as customers, business partners, or shareholders, to help increase efficiency within The Company's internal operation.

- **Monitoring Activities**

The Company realizes the importance of the Internal Control's evaluation. There're reviews of the Internal Control System by the Internal Audit on a regular basis. The Company also includes the Monitoring Activities in the work plan because of constant change in the business situation. Therefore, the improvement of process and in designing the Internal Control System to cope with the change of situation along with sufficient Monitoring Activities will enable The Company to manage the risk in a timely fashion. This also helps boost confidence to the shareholders and all stakeholders. In case of any shortcoming being

found, The Company has an instruction for an immediate action to amend it with a report to the Audit Committee on a quarterly basis. The Company aims to enhance the understanding of all personnel to be able to follow and assess the risk in The Company's business operation. At workshops, they will analyze the potential corporate risk assessment in order to plan on proper action to correct the situation.



2. Head of Internal Controls and Head of Corporate Governance of The Company

Currently, Mr. Pairoj Chantasil is the Head of Internal Controls was appointed on September 1st, 2018 and total of 8 staff inclusive of himself. The team is split into three units as follows.

1. **Internal audit** Internal Audit is tasked for auditing, evaluating and ensuring the sufficiency of the Internal Control System including the corporate management in order to achieve the corporate objective.
2. **Risk and Compliance** is tasked for identifying, sequencing, and risk management supervising to ensure all procedures are carried out in accordance to the corporate objective.
3. **IT Audit** is tasked for auditing and evaluating the IT system to ensure that all information is safe, correctly linked with the database, and limited with information accessibility pursuant to the corporate standard.



Report of the Audit Committee

Dear Shareholders,

The Audit Committee of Bangkok Airways Public Company Limited was appointed by the Board of Directors. It consists of three independent directors qualified in finance, accounting, law, and management.

In 2019, the Audit Committee was tasked to review the financial report, the internal audit, the Risk Management, as well as reviewing all other information beyond the financial report. The Audit Committee also carried out internal audit process and other relevant matters for The Company's subsidiaries to ensure that the business operation is run transparently under The Company's policy which complies with the law and the Stock Exchange Announcement. The Audit Committee understands its role and the framework indicated in the charter of the Audit Committee, which is reviewed on a regular basis.

Bangkok Airways Public Company Limited always emphasizes on the importance of the Risk Assessment and the adequacy of The Company's Internal Control System. The committee also emphasized on collaborations and coordination between the Internal Audit and the auditor through joint workshops. In 2019, there were altogether five Audit Committee meetings.

On December 31st, 2019; the Audit Committee consists of three members as follows.

Number	Name	In the position since	Attendance (times)
1	Mr. Sripop Sarasas	2014	5/5
2	General Vichit Yathip*	2014	2/2
3	Mr. Saharatna Benyakul	2015	5/5
4	Mr. Somboon Kitiyansub*	2019	2/2

* General Vichit Yathip resigned from the position on May 6th, 2019.

The Board of Directors resolved to appoint Mr. Somboon Kitiyansub to the position instead on May 23rd, 2019.

The Audit Committee is tasked under the responsibility framework indicated in the charter of the Audit Committee pursuant to the regulation of Stock Exchange of Thailand. Their key duties carried out in 2019 are in the following summary.

1. Reviewing the financial report and the financial budget on a quarterly and annually basis among The Company's management, the Internal Audit, and the auditor by discussing on any observations and suggestions on the accuracy of the financial budget and the disclosure adequacy on such information including all other significant matters to ensure that the financial report of Bangkok Airways Public Company Limited is correct, credible and up to standard of the general accounting policy.



Related parties Transaction

Name of persons who may have conflicts of interest

1. Transactions with Bangkok Airways Pcl. (Company)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
1. Paradise Shopping Co.,Ltd. Relationship • Common shareholders and directors	• Trade account receivable	200	Company provides cargo services for Paradise Shopping Co.,Ltd.
	• Other revenue	10,987	Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account payable • Expenses	57,340 202,563	Company buys goods from Paradise Shopping Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
2. Samui Accom Co.,Ltd. Relationship • Common shareholders and directors	• Trade account receivable	202,728	Company provides rental space for Paradise Shopping Co.,Ltd. at Samui Airport.
	• Other revenue	4,837,345	Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions. Contracts should be reviewed on regular basis. Fees must be collected as stated in the contracts.
	• Deposit	626,360	
3. Dhammachart Na Thai Co.,Ltd. ความสัมพันธ์ • Common shareholders and directors	• Expenses	20,600	Company uses passenger and baggage services from Samui Accom Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account receivable	2,717,763	Samui Accom Co.,Ltd. rents space and parking lots at Samui Airport.
	• Other revenue • Deposit	4,324,660 252,000	Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
3. Dhammachart Na Thai Co.,Ltd. ความสัมพันธ์ • Common shareholders and directors	• Expenses	18,750	Company buys goods from Dhammachart Na Thai Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account receivable	10,150	Company provides cargo services for Dhammachart Na Thai Co.,Ltd.
	• Freight revenue	39,705	Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
4. Bangkok Travel Club Co.,Ltd. - BTC Relationship • Common shareholders and directors	• Trade account payable • Expenses	1,293,183 4,756,259	BTC provides services on visa application and hotel reservations for company's executives and staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account receivable • Other revenue • Deposit	1,124 843,130 346,400	BTC rents office space and provides rental deposit. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
5. Bangkok Air Tour (1988) Co.,Ltd. - BAT Relationship • Common shareholders and directors	• Other revenue • Deposit	24,488,705 577,000	BAT is an air ticket agent. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account payable • Expenses	49,993 1,028,334	BAT provides services on visa application and air ticketing for company's executives and staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
6. Bangkok Media & Broadcasting Co.,Ltd. - PPTV Relationship • Common shareholders and directors	• Trade account payable • Expenses	121,746 3,676,025	PPTV produced advertising media for company Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Other revenue	2,333,800	Company sells air tickets to PPTV Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
7. Samui Palm Beach Resort Co.,Ltd. - SPB Relationship • Common shareholders and directors	• Trade account payable • Expenses	4,217,462 21,991,625	Company uses accommodation services at SPB. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account receivable • Other revenue	13,696 153,600	Other revenue from advertising space. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
8. Prasatthong Osoth Co.,Ltd. Relationship • Common shareholders and directors	• Expenses	43,161	Company buys goods from Prasatthong Osoth Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
9. Airport Restaurant Co.,Ltd. Relationship • One of BA executive is a director	• Expenses	340,585	Company buys food vouchers for its staffs and customers from Airport Restaurant Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Other revenue • Deposit	628,495 58,125	Airport Restaurant Co.,Ltd. pays fees to company for its operation in Samui airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
10. Krungthep Limousine Co.,Ltd. Relationship • Common shareholders and directors	• Trade account payable • Expenses	72,800 202,650	Krungthep Limousine Co.,Ltd. provides passenger and baggage services at Trat airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Other revenue	171,275	Krungthep Limousine Co.,Ltd. pays fees to company for its operation in Trat airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
11. Smart Limousine and Car Rent Co.,Ltd. Relationship • Common shareholders and directors	• Trade account receivable	246,382	Smart Limousine and Car Rent Co.,Ltd. pays fees to company for its operation in Trat airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Other revenue • Deposit	340,263 150,000	
12. Natural Rice Co.,Ltd. Relationship • Common shareholders and directors	• Trade account payable • Expenses	188,263 754,197	Company buys goods from Natural Rice Co.,Ltd. . Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	• Trade account receivable • Other revenue	3,885 61,910	Company provides cargo services for Natural Rice Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
13. Sukhothai Property Co.,Ltd. Relationship • Common shareholders and directors	• Trade account payable • Expenses	45,283 278,510	Company uses accommodation services for company's staffs. Opinion from Audit Committee: Transactions were justified where room rate and services fees were charged at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
14. Bangkok Dusit Medical Services Pcl. - BDMS Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Charter flight revenue 	1,453,800	Company provided chartered flight services for BDMS. Opinion from Audit Committee: Price quotation for the services provided must be calculated from actual costs and expenses plus margin of at least 15%
	<ul style="list-style-type: none"> Investment Dividend income 	21,331,781,268 404,104,224	Company has long term investment in BDMS shares, recorded as available for sale securities. Opinion from Audit Committee: Transactions were justified. Company and its subsidiaries must comply with company's investment policy
	<ul style="list-style-type: none"> Trade account payable Expenses 	121,427 2,023,416	BDMS provides medical check up services for company's staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	<ul style="list-style-type: none"> Revenue from Sponsorship Other revenue 	1,362,621 212,500	Company received sponsorship for Bangkok Airways's sport activities from BDMS. Other revenues from airport pass Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
15. Samitivej Pcl. – SVH Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Other revenue 	5,600	SVH give away discounted vouchers to its customers to buy air tickets. SVH will then reimburse money of the used voucher to company. Opinion from Audit Committee: Transactions were justified Transaction were conducted at market terms and conditions.
	<ul style="list-style-type: none"> Trade account payable Expenses 	1,355,485 1,369,884	SVH provides medical check up services for company's staffs. Opinion from Audit Committee: Transactions were justified Transaction were conducted at market terms and conditions.
16. Bangkok Hospital Samui Co.,Ltd. - BSH Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account receivable Revenue Other revenue Deposit 	227,802 1,996,335 792,420 80,000	Company sells air tickets to BSH. Other revenues from advertisement fees. Opinion from Audit Committee: Transactions were justified Transaction were conducted at market terms and conditions.
17. Paolo Medic Co.,Ltd. - PLP Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	947,209 1,369,884	PLP provides medical check up services for company's staffs. Opinion from Audit Committee: Transactions were justified Transaction were conducted at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
18. Save Drug Center Co.,Ltd. – Save Drug Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	21,671 383,521	Company buys first aid kits from Save Drug . Opinion from Audit Committee: Transactions were justified Transaction were conducted at market terms and conditions.
19. National Healthcare Systems Co.,Ltd. – N-Health Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account receivable Other revenue 	69,329 639,694	Company provides cargo services for N- Health. Opinion from Audit Committee: Transactions were justified Transaction were conducted at market terms and conditions.
	<ul style="list-style-type: none"> Expenses 	128,696	Company provides cargo services for N- Health. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
20. Bangkok Helicopter services Co.,Ltd. Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account receivable Other revenue 	273,920 2,816,000	Company provides management and helicopter maintenance services. Opinion from Audit Committee: Management and maintance services provided were justified. Contract should be reviewed every 3 years.
21. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI Relationship <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Investment 	5,270,900	Company has long term investment in AEROTHAI shares, recorded as other investments. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	<ul style="list-style-type: none"> Trade account payable Expenses Deposit 	52,132,620 546,585,140 72,000	AEROTHAI provides aeronautical services and related services for company. Rental deposit was paid for the usage of radar display system. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	<ul style="list-style-type: none"> Other revenue 	45,730	Utilities used by AEROTHAI at Samui Airport. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	<ul style="list-style-type: none"> Trade account receivable Air ticket revenue Freight revenue 	377,908 4,238,365 31,927	Company sells air tickets to AEROTHAI. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
22. Bangkok Aviation Fuel Services Pcl. - BAFS Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Other revenue Trade account receivable Rental deposit Deposit 	205,770 17,174 32,000 3,000	Company provides communication equipments and utilities. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
	<ul style="list-style-type: none"> Investment Dividend income 	1,896,175,750 82,935,690	Company has long term investment in BAFS shares, recorded as available for sale securities. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
	<ul style="list-style-type: none"> Rental expenses Leasehold right Deposit 	1,088,786 395,574 186,404	Company leases a plot of land from BAFS. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
23. Fuel Pipeline Transportation Co.,Ltd. - FPT Relationship <ul style="list-style-type: none"> Subsidiary of BAFS Common directors 	<ul style="list-style-type: none"> Investment 	529,947,690	Company has long term investment in FPT shares, recorded as other investments. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions
24. Bangkok BSS Security Guard Co.,Ltd. - BSS Relationship <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Trade account payable Expenses 	3,420,666 58,796,254	BSS provides cleaning and security services for company's offices, Suvarnabhumi and Samui airports. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
	<ul style="list-style-type: none"> Trade account receivable Other revenue Rental deposit Deposit 	146,873 542,256 347,200 85,540	BSS rents office space and provides rental deposit for company. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
25. Bangkok Aviation Services Co.,Ltd.- BASE Relationship • Deem Related Parties Transaction	• Trade account payable • Expenses	9,331,466 106,432,923	BASE provides cleaning and security services for company's airports. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
	• Rental expenses	960,000	Company rents office space from BASE to use as its Sales office. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions.
	• Trade account receivable • Other revenue • Rental deposit • Deposit	11,663 371,053 543,120 81,305	BASE rents office space and provides rental deposit for company. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
26. Bags Ground Services Co.,Ltd.-BAGS Relationship • Deem Related Parties Transaction	• Trade account payable • Expenses • Deposit	97,483,015 517,863,998 1,531,100	Company uses BAGS's ground handling services. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.
	• Rental expenses	5,611,897	BAGS rents office space from company. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions.
	• Other revenue	6,396,275	Company provides public utility, radio communication equipment and other services for BAGS. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions.
	• Trade account receivable • Air ticket revenue • Freight revenue	671,612 1,828,075 106,447	Company sells air tickets to BAGS's on duty staffs and provides cargo services for BAGS. Opinion from Audit Committee: Transactions were justified where tickets fares, and services fees were charged at market terms and conditions.

2. Transactions with Bangkok Airways Holding Co.,Ltd. (BAH)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
1. Bangkok Dusit Medical Services Pcl. - BDMS Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Investment Dividend income 	5,278,750,000 90,200,000	BAH has long term investment in BDMS shares, recored as available for sale securities. Opinion from Audit Committee: Transactions were justified. Company and its subsidiaries must comply with company's investment policy.

3. Transactions with Gourmet Primo Co.,Ltd. (GP)

No Transaction

4. Transactions with Bangkokair Aviation Training Center Co.,Ltd. (BATC)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
1. Bangkok Helicopter services Co.,Ltd. Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Revenue 	166,480	Company provides training courses for Bangkok Helicopter services Co.,Ltd. Opinion from Audit Committee: Transactions were justified where rental fees and services fees were charged at market terms and conditions.

5. Transactions with More Than Free Co.,Ltd. (MOR)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
1. Prasatthong Osoth Co.,Ltd. Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	176 8,939	MOR buys goods from Prasarthong Osoth Co.,Ltd. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.

6. Transactions with Worldwide Flight Services Bangkok Air Ground Handling Co.,Ltd. (BFS Ground)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
<p>1. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI</p> <p>Relationship</p> <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Trade account payable Equipments expenses Expenses 	<p>12,840</p> <p>23,586,360</p> <p>112,570</p>	<p>BFS Ground rents communication equipments from AEROTHAI.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>2. Bangkok Dusit Medical Services Pcl. - BDMS</p> <p>Relationship</p> <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account receivable Service fee revenue 	<p>456,408</p> <p>2,696,700</p>	<p>BFS Ground provided meet & assist services for BDMS.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>

7. Transactions with SA Services Co.,Ltd. (SA)

No Transaction

8. Transactions with BFS Cargo DMK Co.,Ltd. (DMK)

No Transaction

9. Transactions with Bangkok Air Catering Co.,Ltd. (BAC)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
<p>1. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI</p> <p>Relationship</p> <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Trade account payable Equipments expenses Installation fees 	<p>169,649</p> <p>1,837,900</p> <p>5,850</p>	<p>BAC rents communication equipments from AEROTHAI.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>2. Paradise Shopping Co.,Ltd.</p> <p>Relationship</p> <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account receivable Service fee revenue 	<p>79,686</p> <p>398,964</p>	<p>BAC provides storage space and services for Paradise Shopping Co.,Ltd.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>3. Dhammachart Na Thai Co.,Ltd.</p> <p>Relationship</p> <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	<p>14,300</p> <p>338,650</p>	<p>BAC buys agricultural products from Dhammachart Na Thai Co.,Ltd.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>4. Bangkok Dusit Medical Services Pcl. - BDMS</p> <p>Relationship</p> <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	<p>200,000</p> <p>2,400,000</p>	<p>BAC hires medical staffs from BDMS to attend at BAC's first aid room.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.</p>
<p>5. A.P.Sheriff Security Guard Co.,Ltd.</p> <p>Relationship</p> <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Trade account payable Expenses 	<p>83,907</p> <p>894,808</p>	<p>A.P.Sheriff Security Guard Co.,Ltd. provides cleaning and security services for BAC</p> <p>Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions.</p>

10. Transactions with BAC Gourmet House Co.,Ltd. (BACGH)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
1. Bangkok Hospital Chiang Mai Co.,Ltd.-BCM Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Trade account receivable 1,865,768 Catering revenue 22,648,175 		BACGH provided catering services for BCM. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.
	<ul style="list-style-type: none"> Annual check up 9,800 		BCM provides medical check up services for BACGH's staffs. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.
2. Bangkok Dusit Medical Services Pcl. - BDMS Relationship <ul style="list-style-type: none"> Common shareholders and directors 	<ul style="list-style-type: none"> Trade account receivable 13,979,911 Catering revenue 156,289,740 		BACGH provided catering services for BDMS. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.
	<ul style="list-style-type: none"> Trade account payable 539,961 Rental expenses 5,111,972 Utilities expenses 653,292 Deposit 835,036 		BACGH rents space from BDMS for its restaurant facility. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions. However, contract should be reviewed and compared on regular basis.

11. Transactions with Bangkok Air Catering Samui Co.,Ltd. (BACUSM)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
1. Bangkok Samui Hospital Co.,Ltd. - BSH Relationship <ul style="list-style-type: none"> Subsidiary of BDMS Common directors 	<ul style="list-style-type: none"> Catering revenue 12,293,650 		BACUSM provided catering services for BSH. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
2. Bangkok BSS Security Guard Co.,Ltd.- BSS Relationship <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Trade account payable 184,672 Expenses 3,442,232 		BSS provides cleaning and security services for BACUSM's offices. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions.

12. Transactions with Bangkok Air Catering Phuket Co.,Ltd. (BACHKT)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
1. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI Relationship <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Trade account payable Expenses 	34,080 382,200	BACHKT rents communication equipments from AEROTHAI. Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.
2. Bags Ground Services Co.,Ltd. - BAGS Relationship <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Trade account receivable Catering revenue 	52,287 157,437	BACHKT provided catering services for BAGS. Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis

13. Transactions with Bangkok Air Catering Chiang Mai Co.,Ltd. (BACCNX)

No Transaction

14. Transactions with Bangkok Air Catering Don Muang Co.,Ltd. (BACDMK)

No Transaction

15. Transactions with Bangkok Airways Ground Services Co.,Ltd. (PGGS)

Name of persons who may have conflicts of interest	Type of Transaction	Value as of 2019 (Baht)	Rationale
<p>1. Aeronautical Radio of Thailand Co.,Ltd. - AEROTHAI</p> <p>Relationship</p> <ul style="list-style-type: none"> State enterprise under the Ministry of Transport and Communications To provide air traffic control and aeronautical communication services for airline operations The Ministry of Finance is a major shareholder Common directors 	<ul style="list-style-type: none"> Trade account payable Cash advance 	<p>1,126,073</p> <p>13,157,464</p>	<p>PGGS provides ground handling services for airline operations (including payment in advance for communication services to AEROTHAI). Its customer will reimburse money to PGGS.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>2. Bangkok Aviation Services Co.,Ltd.- BASE</p> <p>Relationship</p> <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Trade account payable Expenses 	<p>266,652</p> <p>2,904,956</p>	<p>BASE provides security services for PGGS at Samui airport.</p> <p>Opinion from Audit Committee: Transactions were conducted with normal course of business at market terms and conditions.</p>
<p>3. Bags Ground Services Co.,Ltd. - BAGS</p> <p>Relationship</p> <ul style="list-style-type: none"> Deem Related Parties Transaction 	<ul style="list-style-type: none"> Trade account payable Expenses Deposit 	<p>3,661,079</p> <p>42,457,279</p> <p>1,500,000</p>	<p>BAGS provides passenger services for PGGS at Samui airport.</p> <p>Opinion from Audit Committee: Transactions were justified where services fees were charged at market terms and conditions. Contracts should be reviewed and compared on regular basis.</p>

Management's Discussion and Analysis

For the period ended 31 December 2019

Bangkok Airways Public Company Limited and Its Subsidiaries

Bangkok Airways Public Company Limited and its Subsidiaries

Management's Discussion and Analysis for the year ended 31 December 2019

Executive Summary

The Thai economy in the last quarter in 2019 continued to grow but slower than the previous quarter because of the deceleration of exporting sector and the world economy. Merchandise exports were projected to recover more slowly than expected due to the slowdown in global trade volume affected by trade tensions and the impact of structural changes in the Thai economy on export sector. Public expenditure and private investment would expand slower than the previous forecast. Although short-term economic stimulation measures from the government

benefited private expenditure, but could not make a positive change to the overall GDP. (Source: Bank of Thailand). Thailand's GDP (Gross Domestic Product) in fourth quarter expanded at 1.6 percent, slowdown growth from the previous quarter which grew at 2.6 percent. These factors limited Thailand's GDP expansion in 2019 to only 2.4 percent, recorded as the lowest GDP growth among 5 years since 2014. (Source: Siam Commercial Bank). Additionally, The World GDP of 2019 expanded at 2.4 percent. (Source: International Monetary Fund)

The overall global aviation industry in 2019, Revenue Passenger Kilometers (RPK) increased by 4.2 percent - down from 7.3 percent annual growth observed in 2018. Africa region had the highest growth at 4.9 percent, followed by Asia Pacific, and Europe, accounting for 4.8 and 4.2 percent respectively. The slowdown of worldwide RPK growth because of the impact from US-China trade war and slowing economic activity among the European countries. Meanwhile, global capacity, or Available Seat Kilometers (ASK) increased only 3.4 percent. Africa region was the top at 4.7 percent, followed by Asia Pacific, and Europe with 4.5, and 3.6 percent respectively. While ASK growth of Middle East was only 0.1 percent. A slower pace of capacity growth (ASK) compared to demand (RPK), as a result, the passenger load factor (PLF) increased 0.7 percentage point from 2018 - reached a new highest record of 82.6 percent. (Source: International Air Transport Association).

Thailand tourism industry in the fourth quarter of 2019, the amount of tourists increased by 6.1 percent from same period last year. Tourist arrivals from South Asia region had the highest growth at 20.1 percent, followed by East Asia and Southeast Asia which were 12.1 and 12.0 percent respectively. In addition, European tourist grew only by 2.4 percent. In addition, most of tourist from Europe declined but the tourist from Russia had growth about 8.5 percent. (Source: Ministry of Tourism and Sports).

For the overall Thailand tourism industry in 2019 increased only 4.2 percent. Tourists from South Asia region had the highest growth at 20.8 percent, followed by East Asia, and Southeast Asia at 5.4, and 4.3 percent respectively. The number of tourist from China which is the main market of

Thailand grew only 4.4 percent. The main factor of slower growth was The US-China trade war in February-June which had affected to China economy. Therefore, the number of Chinese tourist in February-June decreased by 7.7 percent. Although the situation began to improve in July, the overall Chinese arrivals still expanded slower than the previous year. (Source: Ministry of Tourism and Sports).

For year 2019, the number of passenger decreased by 1.6 percent from the same period last year with mainly from point-of-sale in Thailand. The international point-of-sale represented 55.0 percent of total number of passenger which mainly from Asia region excluded Thailand and Europe. Southeast Asia contributed the highest growth rate at 16.0 percent, followed by the passenger from North America region at 6.0 percent and South Asia region at 4.0 percent.

The Company has total revenue of 28,609.2 million baht, increased by 2.4 percent from the same period of the year 2018. This was largely due to special item from gain on sales of investments in BDMS amounting of 1,990.8 million baht, together with dividend received from investment. Besides, the increasing of revenue was from a constant growth by 6.6 percent in airport-related businesses. Nevertheless, the operating revenue of airline business declined by 6.9 percent from highly intense competition which caused the average fare to drop by 5.8 percent. The average passenger load factor was 68.1 percent.

The Company reported net profit for year 2019 at 356.7 million baht of which gain attributable to equity holders of the Company at the amount of 350.8 million baht. Earnings per share equaled to 0.17 baht.

Notable Events

Airline Business

1. In 2019, the Company has revised flight frequencies due to passenger seasonal demand and has increased flight frequencies, operated new routes added and decreased flights, and suspended the underperformed route as follows;

New Routes

- [Bangkok - Cam Ranh](#)
4 flights per week (January 2019)
- [Chiang Mai - Krabi \(one way\)](#)
3 flights per week (March 2019)
- [Chiang Mai - Luang Prabang](#)
3 flights per week (April 2019)

Add Flight Frequencies

- [Bangkok - Danang](#)
from 7 flights per week to 14 flights per week (March 2019)
- [Chiang Mai - Krabi \(one way\)](#)
from 3 flights per week to 7 flights per week (May 2019)
- [Krabi - Bangkok \(one way\)](#)
from 21 flights per week to 28 flights per week (May 2019)

Add Flight Frequencies by Seasonality

- [Bangkok - Mandalay](#)
from 11 flights per week to 14 flights per week (Winter Schedule only)
- [Bangkok - Phu Quoc](#)
from 7 flights per week to 14 flights per week (Winter Schedule only)
- [Samui - Krabi](#)
from 7 flights per week to 10 flights per week (Winter Schedule only)
- [Samui - U-Tapao](#)
from 7 flights per week to 11 flights per week (Winter Schedule only)

Decrease Flight Frequencies

- [Chiang Mai - Mandalay](#)
from 7 flights per week to 4 flights per week (October 2019)
- [Chiang Mai - Yangon](#)
from 7 flights per week to 4 flights per week (October 2019)

Decrease Flight Frequencies by Seasonality

- [Bangkok - Phuket \(one way\)](#)
from 56 flights per week to 49 flights per week (Summer Schedule only)
from 63 flights per week to 56 flights per week (Winter Schedule only)
- [Chiang Mai - Bangkok \(one way\)](#)
from 42 flights per week to 35 flights per week (Summer Schedule only)
from 63 flights per week to 49 flights per week (Winter Schedule only)
- [Chiang Mai – Mae Hong Son](#)
from 14 flights per week to 10 flights per week (Winter Schedule only)

Suspended Route

- [Phuket - Chiang Mai \(one way\)](#)
7 flights per week (May 2019)
- [Chiang Mai - Hanoi](#)
7 flights per week (October 2019)

2. As of 31st December 2019, the Company has 40 aircraft as shown in table below;

Fleet Type	As of 31 st December 2019	As of 31 st December 2018
Airbus A320	9	9
Airbus A319	16	15
ATR 72-500	2	5
ATR 72-600	13	11
Total	40	40

One Airbus A319 were delivered in January 2019 under operating lease. During the first half of 2019, two ATR72-600 under commercial loan agreement were delivered while three ATR72-500 were disposed.

3. In 2019, the Company had total 27 Codeshare airline partners. The Company signed Codeshare agreement with Turkish Airlines in August 2019. While Jet Airways was announced to terminate Codeshare agreement from 30 June 2019 due to the suspension from IATA Clearing House (ICH) membership.

4. The Company was approved to renew Air Operating License or AOL from Civil Aviation Authority of Thailand. The license lasts for 10 years until 2029. (February 2019)

5. The Board of Directors Meeting of the Company approved the share repurchase program in the amount not exceeding 40 million common shares in year 2018. The share repurchase is made to maximize the benefits of the Company's excess liquidity and to increase the return on equity and the earnings per share. As of March 219, The repurchase program has set aside approximately 492.0 million baht with 40.0 million share.

6. The Company, BTS Group Holding Public Company Limited and Sino-Thai Engineering & Construction Public Company Limited jointly submitted the proposal under the name of "BBS Joint Venture" for the bidding of the U-Tapao International Airport and Eastern Aviation City Development project to the Royal Thai Navy, which under the public private partnership (March 2019)

7. The Bangkok Air Aviation Training Center Company Limited (BATC) and International Air Transport Association (IATA) signed a partnership agreement on the establishment of IATA Regional Aviation Training Partner in Bangkok. (March 2019)

8. The Company underwent new Passenger Service System (PSS) migration. Comprising of Reservation & Ticketing and Departure Control System, the following functions will be improved in order enhance passenger services to be efficient and accommodate airline passengers; payment channel, online check-in, mobile application, repayment service and reservation vis website and call center (July 2019)
9. The Company announced a new frequent flyer programs collaboration with Emirates Skywards. This new partnership will expand the benefits that members can enjoy the convenience and benefits of accruing and spending rewards points (November 2019)
10. The Company received the Superbrands Thailand 2018 Award. The Award was voted by consumers throughout Thailand, marketers and journalists and a final vote was made by Superbrands council of judges from a list of over 500 leading organizations in Thailand (April 2019)
11. The Company received The Most Punctual Airline Asia Pacific Award (2nd place) from OAG which is the world's leading provider of travel data and insight. Bangkok Airways is the only Thai carrier that ranks in the Top 20 airlines based on its On-Time Performance (OTP) (April 2019)
12. The Company was awarded "Travelers' Choice Awards – Regional Airline Asia 2019" from TripAdvisor, the world's largest travel site. TripAdvisor's Travelers' Choice Awards are based on reviews by global travelers that focus on service, quality and value (April 2019)
13. The Company received two prestigious awards from Skytrax; "World's Best Regional Airline 2019" and "Best Regional Airline in Asia 2019" at The Skytrax World Airline Awards 2019 (June 2019)
14. The Company received Smart Travel Asia Awards as "Top 10 Best Cabin Service Worldwide" in Best in Travel Poll 2019. Best in Travel Poll 2019 is conducted by SmartTravelAsia.com, a leading travel website in Asia (July 2019)
15. The Company was named 2020 Five Star Major Airline by APEX (the Airline Passenger Experience Association), a non-profit membership trade association dedicated to improving the entire airline passenger experience (September 2019)
16. The Company was awarded "Selling Travel Agents Choice Awards 2019" as Overseas Regional Airline from Selling Travel Magazine, the leading travel trade monthly. The winners' special reception was held during World Travel Market (WTM 2019) at Excel, London, United Kingdom (November 2019)

Airport Related Business and Investment

1. Bangkok Air Catering Co., Ltd. and Gourmet Primo Co., Ltd. under the name of “BACGP Joint Venture” won the bidding to operate inflight catering services at Don Mueang International Airport with 5 years of concession. The subsidiary was established by the condition of Airport of Thailand PCL. (AOT)’s term of reference with registered capital of 20.0 million baht (June 2019)

2. Airport of Thailand Public Company Limited (AOT) reversed of accrued concession fee to Bangkok Air Catering Company Limited (BAC) and Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground) total 140 Million Baht. In accordance with aiding measurement the operators in Suvarnabhumi Airport when affected by political crisis in 2010 causing the airport closed, AOT made the exception of minimum payment and adjusted to percent of revenue sharing payment during that time. Moreover, AOT reduced minimum payment for BAC since January 2011 (September 2019)

3. As of 31 December 2019, Bangkok Air Catering Company Limited (BAC) had 6 additional airline customers, causing total number of its customers to be from 20 to 26 airline customers when comparing with the same period last year.

4. As of 31 December 2019, Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground) had 7 additional airline customers, causing total number of its customers to be from 79 to 86 airline customers for ground service equipment when comparing with the same period last year.

5. As of 31 December 2019, WFS-PG Cargo Company Limited (BFS Cargo) had 6 additional airline customers, causing total number of its customers to be from 69 to 75 airline customers for international cargo terminal services when comparing with the same period last year.

Management’s Discussion and Analysis

Bangkok Airways is a full serviced airline providing premium service to passengers. Company owns and operates 3 airports which are Samui Airport, Trat Airport and Sukhothai Airport. In addition to airline and airport businesses, it operates airport related businesses which include passenger and ramp services, catering services and international cargo.

Consolidated financial statement of the Company consists of Separate Financial Statement and Financial Statements of the 14 subsidiaries that include: 1) Bangkok Air Catering Company Limited (BAC) 2) Worldwide Flight Services Bangkok Air

Ground Handling Company Limited (BFS Ground) 3) Bangkok Airways Ground Service Company Limited (PGGS) 4) Bangkok Airways Holding Company Limited (PGH) 5) SA Services Company Limited 6) BFS Cargo DMK Company Limited 7) BAC Gourmet House Company Limited 8) Bangkok Air Catering Phuket Company Limited 9) Gourmet Primo Company Limited 10) Bangkok Air Catering Samui Company Limited and 11) Bangkok Air Catering Chiang Mai Company Limited 12) More Than Free Company Limited 13) Bangkok Air Aviation Training Center Co., Ltd. 14) Bangkok Air Catering Don Mueang Co., Ltd

Airline Operating Data

	Unit	January - December	
		2019	2018
Scheduled passenger revenues⁽¹⁾ <ul style="list-style-type: none"> Domestic International 	Million Baht	19,028.2 11,878.3 7,149.9	20,515.9 12,844.0 7,671.9
Available Seat Kilometers (ASK) <ul style="list-style-type: none"> Domestic International 	Million Seat - Kilometers	6,497.2 3,365.7 3,131.5	6,655.6 3,545.6 3,110.0
Revenue Passenger Kilometers (RPK) <ul style="list-style-type: none"> Domestic International 	Million Passenger - Kilometers	4,422.8 2,491.0 1,931.8	4,565.5 2,566.6 1,998.9
Passenger Load Factor <ul style="list-style-type: none"> Domestic International 	Percentage	68.1 74.0 61.7	68.6 72.4 64.3
Number of scheduled passengers carried <ul style="list-style-type: none"> Domestic International 	Thousand Passengers	5,860.2 4,007.6 1,852.6	5,952.6 4,141.6 1,811.0
Number of flight flown <ul style="list-style-type: none"> Domestic International 	Flights	70,810 45,434 25,376	71,379 47,313 24,066
Total seat capacity <ul style="list-style-type: none"> Domestic International 	Thousand Seats	8,558.9 5,436.5 3,122.4	8,626.6 5,684.6 2,942.0
Aircraft utilization <ul style="list-style-type: none"> Airbus A320 Airbus A319 ATR 72-500 & ATR 72-600 	Block Hour per Day per Aircraft	8.4 9.4 8.5 7.3	8.8 10.0 9.2 7.2
Number of aircraft at period end <ul style="list-style-type: none"> Airbus A320 Airbus A319 ATR 72-500 ATR 72-600 	Aircraft	40 9 16 2 13	40 9 15 5 11
Kilometers flown	Million Kilometers	50.7	51.8
Average Stage Length	Kilometers	754.7	767.0
Passenger Yield⁽²⁾	Baht per Passenger - Kilometer	4.30	4.49
Revenue ASK (RASK) Cost per ASK (CASK) Cost per ASK excluding fuel cost RASK – CASK	Baht per Available Seat - Kilometer	3.33 3.58 2.86 (0.25)	3.45 3.49 2.75 (0.04)

Airline Operating Data (Continue)

Remarks

- (1) These figures are different from those included in Company's consolidated Financial Statements as they include revenues (before deducting discounts and commissions) from scheduled flights, net interline revenues from flights operated by other airlines and marketed by it on a code-share basis, revenues derived from non-codeshare interline sales by it of seats on other airlines' flights, fuel and insurance surcharge revenue. Exclude revenues from cargo services, charter services and other revenue.
- (2) Scheduled passenger revenues including fuel surcharge and insurance surcharge, but excluding excess baggage divided by RPKs.

Operating performance summary for the period ended December 31, 2019

Unit: million baht

	January - December			
	2019	2018	Variance	
			Amount	%
Total revenue	28,609.2	27,943.6	665.6	2.4
Operating revenue ⁽¹⁾	25,755.0	26,810.5	(1,055.5)	(3.9)
Total expenses	26,928.0	26,515.3	412.7	1.6
Net profit for the period	356.7	263.7	93.0	35.3
Profit attributable to equity holders of the Company	350.8	249.3	101.5	40.7
EBIT ⁽²⁾	(364.2)	1,097.8	(1,462.0)	(133.2)
EBITDA ⁽²⁾	1,057.3	2,478.0	(1,420.7)	(57.3)
EBITDAR ⁽²⁾	2,619.6	4,041.2	(1,421.6)	(35.2)
EBIT Ratio (%)	(1.4)	4.1	(5.5)	
EBITDA Ratio (%)	4.1	9.2	(5.1)	
EBITDAR Ratio (%)	10.2	15.1	(4.9)	

Remarks:

- (1) Comprises of total revenue net dividend income, gain on foreign exchange, interest income and non-operating revenues.
- (2) EBIT, EBIT margins, EBITDA, EBITDA margins, EBITDAR or EBITDAR margins are not standard measures, nor measurements of financial performance or liquidity, under TFRS, and should not be considered alternatives to net profit (loss) or any other performance measure or as an alternative to cash flow from operating activities. Since there are various calculation methods, its presentation may not be comparable to similarly titled measures used by other companies.

Operating Profit and Net Income

The operating revenue of the Company for year 2018 and year 2019 were 26,810.5 million baht and 25,755.0 million baht respectively, decreased by 3.9 percent while total operating expenses increased from 26,515.3 million baht to 26,928.0 million baht or around 1.6 percent.

The earnings before interest and tax, depreciation, amortization, and rent (EBITDAR) were derived from total income (excluding dividend income, gain on sale of investments, gain on sale of assets, interest income and gain on exchange rate) less total expenses plus depreciation and amortization

expenses, and aircraft rental, equaled to 4,041.2 million baht and 2,619.6 million baht or 15.1 percent and 10.2 percent of total operating revenue for year 2018 and 2019 respectively.

For year 2019, the Company had profit before income tax expenses at the amount of 720.4 million baht and reported net profit at the amount of 356.7 million baht, increased from the same period last year by 93.0 million baht or 35.5 percent. The gain attributable to equity holders of the Company was 350.8 million baht.

Revenue

Consolidated revenue of the Company, excluding the inter-segment revenue, are divided into 4 segments as follows:

Unit: million baht

	January - December					
	2019	%	2018	%	Variance	
					Amount	%
1. Airlines	19,063.9	66.6	20,475.4	73.3	(1,411.5)	(6.9)
• Net scheduled passenger revenue	18,516.1	64.7	19,708.8	70.5	(1,192.7)	(6.1)
• Charter flights and charter services revenue	346.0	1.2	550.1	2.0	(204.1)	(37.1)
• Cargo revenue	201.8	0.7	216.5	0.8	(14.7)	(6.8)
2. Airports	547.3	1.9	598.1	2.1	(50.8)	(8.5)
3. Airport-related Operations	4,350.3	15.2	4,082.3	14.6	268.0	6.6
• Bangkok Air Catering Company Limited (BAC)						
• Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground)	1,024.0	3.6	1,048.8	3.8	(24.8)	(2.4)
• Bangkok Airways Ground Service Company Limited (PGGS)	2,391.4	8.4	2,167.6	7.7	223.8	10.3
• Other revenue ⁽¹⁾	349.8	1.2	367.1	1.3	(17.3)	(4.7)
	585.1	2.0	498.8	1.8	86.2	17.3
4. Unallocated revenue	4,647.7	16.3	2,787.8	10.0	1,859.9	66.7
Total Revenue	28,609.2	100.0	27,943.6	100.0	665.6	2.4

Remark:

- (1) Other revenue includes revenue from BAC Gourmet House Company Limited, the subsidiary of BAC which main activity is to provide food services in business district and major tourist attractions in Bangkok, Gourmet Primo Company Limited and More Than Free Company Limited, a subsidiary of Bangkok Airways Holding Company Limited

Revenue from Airline Operations

In year 2019, total revenue mainly derived from airline business which was accounted for 66.6 percent of total revenue. Revenue from airlines consists of earnings from scheduled flights, charter flights and charter services and cargo with details as follows:

In year 2019, revenue from scheduled flights was 18,516.1 million baht, dropped by 6.1 percent from the same period last year. A decreasing of scheduled revenue was mainly from the lower number of passenger which dropped by 1.6 percent. Especially number of passenger in domestic routes lowered by 3.2 percent.

In addition, high competition and appreciation of Thai Baht caused drop of average fare by 5.8 percent along with passenger yield per RPK that decreased by 4.3 percent comparing with the same period last year.

Revenue from charter flights and charter services decreased from 550.1 million baht to 346.0 million baht, lower by 37.1 percent. That was a resulted from a decreasing of flight frequencies of charter services from Samui to Chongqing since September 2019 and suspending flights service from Samui to Guangzhou since October 2018.

Revenue from Airport Operations

In year 2019, revenue from airport operations was accounted for 1.9 percent of total revenue. Majority of the airport revenue derived from the growth of flights landed and the passenger services charges from outbound passengers at Samui Airport. Year 2019, revenue from airport operations was 547.3 million baht or decreased by 8.5 percent from year 2018

Revenue from Airport-Related Operations

Bangkok Air Catering Company Limited (BAC)

In year 2019, the operating performance of BAC was 1,024.0 million baht, decreased by 2.4 percent. The decreasing amount resulted from the down gauge the aircraft size as well as flight reduction of major airline customers. Consequently, the average meal produced dropped by 7.4 percent compared with previous year

In addition, BAC transferred kosher box operation to Bangkok Air Catering Phuket Company Limited, a subsidiary of BAC started from the second quarter of year 2019.



Worldwide Flight Services Bangkok Air Ground Handling Company Limited (BFS Ground)

The operating performance of BFS Ground for services provided to other airlines in year 2018 and year 2019 reported at the amount of 2,167.6 million baht and 2,391.4 million baht respectively, grew by 10.3 percent from the previous year.

The better performance of BFS Ground was derived from increasing number of flights by 6.6 percent with additional of seven new airline customers. As of 31 December 2019, BFS Ground has 86 airline customers.

Bangkok Airways Ground Service Company Limited (PGGS)

The total revenue of PGGS in year 2019 reported at the amount of 349.8 million baht, lower by 4.7 percent. This was resulted from the lower number of flights since the suspension of Thai Airways' flights to Samui Airport. For year 2019, the number of handling flights dropped by 17.0 percent from the previous year.

Unallocated Revenues

Total unallocated revenues of the Company for year 2019 was 4,647.7 million baht or rose by 66.7 percent. Main contributions of unallocated revenues were dividend income from BDMS, reversal of accrued concession fee from Airports of Thailand Public Company Limited (AOT) and other revenues. For year 2019, the other revenue mainly derived from cash received from gain on sale of assets, concession, ticket fee, excess baggage and rental.

Share of Profit from Investments in Associates

The Company reported share of profit from associated companies for year 2019 at 808.7 million baht, increased by 0.8 percent compared with the same period last year. That was due to a better profit contributed to shareholders of WFS-PG Cargo Company Limited during this period.

Unit: million baht

	January - December			
	2019	2018	Variance	
			Amount	%
WFS-PG Cargo Company Limited	415.4	381.8	33.6	8.8
Samui Airport Property Fund	393.3	420.7	(27.4)	(6.5)
Share of Profit from Investments in Associates	808.7	802.5	6.2	0.8

Expenses

Expenses consist of costs of sales and services, selling expenses and administrative expenses with details as follows:

Unit: million baht

	January - December					
	2019	%	2018	%	Variance	
					Amount	%
1. Cost of sales and services	22,324.4	82.9	22,339.5	84.3	(15.1)	(0.1)
• Airlines	18,112.5	67.3	18,202.6	68.7	(90.1)	(0.5)
- Aircraft Fuel Cost	4,667.3	17.3	4,934.9	18.6	(267.6)	(5.4)
- Aircraft Repair and Maintenance	3,547.6	13.2	3,536.2	13.3	11.4	0.3
- Personnel Expenses	3,427.1	12.7	3,444.8	13.0	(17.7)	(0.5)
- Passenger Services	3,040.9	11.3	3,151.4	11.9	(110.5)	(3.5)
- Aircraft Rental	1,562.3	5.8	1,563.2	5.9	(0.9)	(0.1)
- Landing , Parking and Navigation fee	1,188.4	4.4	1,196.0	4.5	(7.6)	(0.6)
- Others	678.9	7.1	376.1	7.2	302.8	80.5
• Airports, Airport-related Operations and Others	4,211.9	15.6	4,136.9	15.6	75.0	1.8
2. Selling Expenses	1,894.7	7.0	2,099.2	7.9	(204.5)	(9.7)
• Airlines	1,858.8	6.9	2,065.7	7.8	(206.9)	(10.0)
• Airports, Airport-related Operations and Others	35.9	0.1	33.5	0.1	2.4	7.2
3. Administrative Expenses	2,702.9	10.1	2,074.7	7.8	628.2	30.3
• Airlines	1,910.1	7.1	1,396.5	5.3	513.6	36.8
• Airports, Airport-related Operations and Others	792.8	3.0	678.2	2.5	114.6	16.9
4. Others	6.0	0.0	1.9	0.0	4.1	215.8
Total Expenses	26,928.0	100.0	26,515.3	100.0	412.7	1.6

Costs of Sales and Services

Costs of sales and services principally consist of fuel costs, aircraft repair and maintenance costs, personnel expenses, cost of passenger service and aircraft rentals. For year 2018 and year 2019, costs of sales and services were accounted for 84.3 percent and 82.9 percent of total expenses respectively.

Selling Expenses

For year 2018 and year 2019, selling expenses were accounted for 7.9 percent and 7.0 percent of total expenses respectively. The selling expenses of year 2019 reported at 1,894.7 million baht, dropped by 9.7 percent from last year. The decreasing amount was mainly from advertising and sale promotion and supporting selling systems expenses. The significant increase in selling expenses were mainly due to usage of reservation system together with an additional cost related to employee's retirement program according to the new Labor Protection Act.

Administrative Expenses

The administrative expenses of the Company for year 2018 and year 2019 were accounted for 7.8 percent and 10.1 percent of total expenses respectively. The significant increase of administrative expenses was professional fee, penalty and surcharge and additional cost related to employee's retirement program according to the new Labor Protection Act.

Finance Costs

Finance costs consist of lease payments under the sub-lease agreement from the Samui Property Fund (SPF) for Samui Airport which include the rental portion of the sub-lease agreement and the variable portion based on the number of departing/arriving passengers from and to Samui Airport. In addition, finance costs also include interest expenses paid to financial institutions and lessors under finance lease agreement.

Unit: million baht

	January - December			
	2019	2018	Variance	
			Amount	%
Financial cost paid to the Samui Airport Property Fund (SPF)	1,359.6	1,467.6	(108.0)	(7.4)
Interest and Fee expenses ⁽¹⁾	409.9	406.5	3.4	0.8
Total	1,769.5	1,874.1	(104.6)	(5.6)

Remark:

(1) Interest and fees including expenses related to financial institutions, finance lease and credit card fee

Financial cost paid to the Samui Property Fund (SPF) for year 2019 amounted to 1,359.6 million baht, decreased by 7.4 percent compared to previous year. The decreasing amount was due to decreasing number of departing passenger and flights in-out Samui Airport by 8.8 percent and 4.8 percent compared with the same period last year, together with a cancellation of Thai Airways' flight landed into Samui Airport since September 2018.

The interest costs and fee expenses increased from 406.5 million baht to 409.9 million baht which mainly due to additional interest paid under long term loan agreements for ATR72-600 incurred during the period.

Assets

As of 31 December 2019, the Company and its subsidiaries have total assets amounted of 61,907.7 million baht, decreased by 159.3 million baht.

Unit: million baht

	As at December 31, 2019	As at December 31, 2018	Variance
Current assets			
• Cash & cash equivalents and current investments	9,319.3	7,647.7	1,671.6
• Trade and other receivables	1,535.4	1,713.4	(178.0)
• Reimbursable maintenance expense	857.8	1,050.3	(192.5)
• Other current assets	877.0	1,018.4	(141.4)
Total current assets	12,589.5	11,429.8	1,159.7
Non-current assets			
• Investments in associates	2,920.2	2,902.1	18.1
• Other long-term investments	29,050.5	30,270.0	(1,219.5)
• Property, plant and equipment	15,608.2	15,520.2	88.0
• Deposits	643.7	805.5	(161.8)
• Other non-current assets	1,095.6	1,139.4	(43.8)
Total Non-current assets	49,318.2	50,637.2	(1,319.0)
Total assets	61,907.7	62,067.0	(159.3)

Current assets

Total current assets of the Company as of 31 December 2019 was 12,589.5 million baht, increased from 31 December 2018 by 1,159.7 million baht. This was mainly due to:

- Cash and cash equivalents and current investments grew by 1,671.6 million baht, mainly from cash received from operation activities, long-term loans from financial institution and selling of long-term investments in marketable securities, together with dividend received from investment in associates and other long-term investments. This was offset by cash paid for dividend and interest expense including repayment of loan and liabilities arising from financial lease of aircraft during the period.
- Reimbursable maintenance expense decreased by 192.5 million baht mostly due to cash received from outstanding amount claimed from maintenance reserve fund.

Non-current assets

Total non-current assets of the Company were 49,318.2 million baht, decreased from the end of 2018 by 1,319.0 million baht. This was resulted from:

- Other long-term investments decreased by 1,219.5 million baht from selling of long term investment in marketable securities during the period. from aircraft (2-ATR72-600), aircraft spare parts and land. However, it was offset by the disposal of three ATR72-500 during the period.
- Property, Plant and Equipment increased by 88.0 million baht, mainly from an acquisition of property, plant and equipment, largely
- Deposit lowered by 161.8 million baht due to deposit of aircraft.

Liabilities

As of 31 December 2019, the Company and its subsidiaries have liabilities amounted of 31,903.2 million baht. An increase of 614.3 million baht from 31 December 2018 was as follows:

Unit: million baht

	As at December 31, 2019	As at December 31, 2018	Variance
Current liabilities			
• Trade and other payables	3,183.2	2,883.3	299.9
• Current portion of long-term loans, Liabilities arising from financial lease of aircrafts and Finance lease liabilities	994.6	691.3	303.3
• Income tax payable	277.3	13.1	264.2
• Unearned revenue	2,343.7	2,531.0	(187.3)
• Other current liabilities	2,457.7	2,221.5	236.2
Total current liabilities	9,256.5	8,340.2	916.3
Non-Current liabilities			
• Long-term loans , Liabilities arising from financial lease of aircraft and Finance lease liabilities – net of current portion	5,315.3	5,502.9	(187.6)
• Long-term loans from related party – net of current portion	11,252.4	11,331.0	(78.6)
• Employee benefits	956.6	722.6	234.0
• Deferred tax liabilities	5,060.0	5,330.3	(270.3)
• Other non-current liabilities	62.4	61.9	0.5
Total non-current liabilities	22,646.7	22,948.7	(302.0)
Total liabilities	31,903.2	31,288.9	614.3

Current liabilities

Total current liabilities amounting to 9,256.5 million baht, increased from 31 December 2018 by 916.3 million baht, the changes were mainly due to;

- Current portion of long-term loans, Liabilities arising from financial lease of aircrafts and finance lease liabilities amounting to 994.6 million baht, increased by 303.3 million baht. This was mainly derived from an increase of current portion of long term loan resulted from entering long-term loan agreement for two ATR72-600
- Income tax payable amounting to 277.3 million baht, increased by 264.2 million baht. The increasing amount resulted from tax which incurred from selling of marketable securities during the period.
- Unearned revenue decreased by 187.3 baht from 31 December 2018 as a consequence of lower advanced bookings compared with same period last year.
- Other current liabilities amounting to 2,457.7 million baht, rose by 236.2 million baht. This was mainly from additional of maintenance reserve fund (MRF) for ATR72-600 and liabilities arisen from entering into derivative transactions.

Non-current liabilities

Total non-current liabilities of the Company were 22,646.7 million baht, decreased by 302.0 million baht from 31 December 2018, largely derived from:

- Long-term loans, Liabilities arising from financial lease of aircrafts and Finance lease liabilities – net of current portion decreased by 187.6 million baht, the decreasing amount mostly from repayment of long term loan. However, the company has entered into commercial loan transaction during the period.
- Employee benefits rose by 234.0 million baht due to the new provision standard of employee benefits impacted from the change in Thai Labor Act on severance pay rate.
- Deferred tax liabilities decreased by 270.3 million baht resulted from an impact on temporary different method between accounting and tax book on aircraft financial lease, together with changes in a proportion of marketable securities available for sale.

Shareholders' Equity

Unit: million baht

	As at December 31, 2019	As at December 31, 2018	Variance
Shareholders' Equity			
• Paid up capital	2,100.0	2,100.0	-
• Premium on ordinary shares and capital reserve for share-based payment transactions	9,319.5	9,319.5	-
• Treasury stocks	(491.6)	(366.8)	(124.8)
• Other components of shareholders' equity	18,934.9	19,836.7	(901.8)
• Retained earnings	296.3	32.6	263.7
• Others ⁽¹⁾	(154.6)	(143.9)	(10.7)
Total shareholders' equity	30,004.5	30,778.1	(773.6)

Remark:

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

As of 31 December 2019, total shareholders' of the Company and its subsidiaries is 30,004.5 million baht. A decreasing amount of 773.6 million baht mainly derived from the changes in proportion of marketable securities available-for-sale which dropped by 901.8 million baht. The Company has retained gain at the amount of 296.3 million baht, increased by 263.7 million baht.

Statement of Cash Flow

Unit: million baht

	As at December 31, 2019	As at December 31, 2018
Net cash flows from operating activities	1,175.8	1,901.9
Net cash flows from (used in) investing activities	1,495.1	817.2
Net cash flows used in financing activities	(1,745.6)	(1,916.2)
Cash and cash equivalents at end of the year	5,273.1	4,347.7

Cash flows from operating activities

As of 31 December 2019, the profit of the Company and its subsidiaries before changes in operating assets and liabilities is 518.9 million baht while the amount of net cash flows from (used in) operating activities is 1,175.8 million baht.

Cash flows from investing activities

As of 31 December 2019, net cash flows from investing activities of the Company and its subsidiaries is 1,495.1 million baht which resulted from cash received from sales of assets and long-term investment in marketable securities, together with dividend received from investment in associates and long-term investment amounted to 4,346.0 million baht. However, this was offset by cash outflows used for acquisition of property, plant and equipment and additional investment in BAFS.

Cash flows from financing activities

As of 31 December 2019, the Company and its subsidiaries have cash outflows from financing activities at the amount of 1,745.6 million baht, mainly from interest expense, repayment of loan and liabilities under finance lease payable, dividend payment to shareholders, purchase of treasury stocks.

Summary Consolidated Financial and Ratio

		As at 31 December	
		2019	2018
Liquidity Ratio	Current Ratio (Time)	1.4	1.4
	Quick Ratio (Time)	3.8	4.3
	Collection Period (Day)	24.2	24.4
	Stock Turnover Period (Day)	8.5	8.2
	Payment Period (Day)	33.5	34.2
Profitability Ratio	Gross Profit Margin (%)	6.8	11.2
	Operating Profit Margin (%)	(1.5)	4.4
	EBITDAR Margin (%)	10.2	15.1
	Net profit Margin (%)	1.2	0.9
	Return on Equity (%)	1.2	0.9
Efficiency Ratio	Return on Assets (%)	0.6	0.4
	Return on Fixed Assets (%)	11.4	11.0
	Asset Turnover (Time)	0.5	0.5
Leverage Ratio	Debt to Equity (Time)	1.1	1.0
	Interest Coverage Ratio (Time)	0.6	1.3

Glossary

Passenger or Cabin load factor	Number of passenger carried as a proportion to capacity, which is the number of seats available for passengers
Available Seat-Kilometer (ASK)	The number of seats available for passengers multiplied by the number of kilometers that are flown
Revenue Passenger-Kilometer (RPK)	The number of revenue passengers multiplied by the number of kilometers that are flown
Revenue per ASK (RASK)	Income of sale and services of the Company (meaning total revenues from the standalone financial statements net gain on sales of investment, reversal of allowance for diminution in value of investments in subsidiary, dividend income and the compensation from the cancellation of the agreement) divided by ASK.
Cost per ASK (CASK)	The sum of operating cost, sale expenses, service expenses and the remuneration of the executives of the Company (excluding financial cost) (meaning total expenses from the standalone financial statements net loss on sales of investment, and loss on sales of leasehold right) divided by ASK.
CASK – Fuel	The sum of operating cost, sale expenses, service expenses and the remuneration of the executives of the Company (excluding financial cost and fuel cost) (meaning total expenses from the standalone financial statements net loss on sales of investment, loss on sales of leasehold right and fuel expense) divided by ASK.

Report and consolidated financial statements

Bangkok Airways Public Company Limited and its subsidiaries as at 31 December 2019

Independent Auditor's Report

To the Shareholders of Bangkok Airways Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Airways Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 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 Airways Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Airways Public Company Limited and its subsidiaries and of Bangkok Airways Public Company Limited as at 31 December 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 matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition of passenger fare

As disclosed in Note 5.1 to the consolidated financial statements with respect to revenue recognition, passenger fare is the most significant amount in the statement of comprehensive income. In addition, the Company's passenger fare has been directly impacted by a competitive market environment, fuel prices, economic conditions and other external factors. I therefore considered the revenue recognition of passenger fare to be a key audit matter and have focused on the audit of occurrence and timing of revenue recognition.

The following significant audit procedures were performed in respect to above matter.

- Assessing and testing the Company's IT system and its internal controls with respect to the ticket reservation and recognition of passenger fare revenue when passengers travel to the route they have reserved by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select the ticket reservation transactions and check them against payment information and external reports obtained from financial institutions.
- Applying a sampling method to select and check the flight data recorded in the revenue report against the flight schedule, including entries in corresponding ledgers, to ensure the accuracy and completeness of passenger fare occurring during the year and near the end of the accounting period.
- Applying a sampling method to select and check the flight data recorded in the revenue report against external reports obtained from Airport Authorities to ensure the existence of passenger fare.
- Selecting representative samples of the recorded adjustment transactions to check them against documents relating to passenger fare.
- Performing analytical procedures on disaggregated data to detect possible irregularities in passenger fare transactions throughout the accounting period.

Impairment of property, plant and equipment

As disclosed in Note 16 to the consolidated financial statements, the Group recorded property, plant and equipment, net of allowance for loss on impairment of assets. In determining the impairment loss, management is required to exercise significant judgement with respect to projections of future operating performance and assessment of potential losses on assets. There is therefore a risk of recognising insufficient loss on impairment of assets and overstating property, plant and equipment. I have therefore considered the impairment of property, plant and equipment determination to be a key audit matter.

The following significant audit procedures were performed in respect to above matter.

- Enquiring of the management and considering the reasonableness of policy on determine the estimated useful lives of property, plant and equipment, together with the revisions of estimated useful lives of assets.
- Observing and reviewing report of non-operating assets or assets in unusable conditions.
- Gaining an understanding of the management's consideration of the cash generating units whether it is consistent with asset utilisation and recoverable amount calculation.
- Considering the scope and objectives of the fair value measurement performed by the independent appraiser, and evaluating the techniques and models as specified in the appraisal report, applied by the independent appraiser to measure the fair value, and also reviewing the data and key assumptions used in the measurement of fair value.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

(Rungnapa Lertsuwankul)

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

Bangkok: 27 February 2020

Financial responsibilities of Board of Directors

Board of Directors is responsible for preparation and presentation of financial statements of Bangkok Airways Public Company Limited and comprehensive financial statements of Bangkok Airways Public Company Limited and its subsidiaries including financial electronic data contained in the Annual Report. The financial statements had been prepared in accordance to generally accepted financial standards, chosen and regularly observed appropriate financial policies and prepared with great discretion and best estimates. Essential information has been sufficiently disclosed in the notes of the financial statements for best interests of shareholders and general investors as appropriate.

In this regard, Board of Directors has appointed an Audit Committee to review financial policies and quality of financial report, review internal control system, internal audit, risk management system including consideration on disclosure of information on related party transactions. The opinion of the Audit Committee in this matter is included in the Audit Committee report contained in the Annual Report.

The Board is in the opinion that the internal control system of the Company as a whole is satisfactory with reasonable assurance that financial statements of Bangkok Airways Public Company Limited and its subsidiaries ended on 31 December 2018 is reliable and observed in accordance with generally accepted accounting standards, related laws and regulations



(Puttipong Prasarttong-Osoth)

President

Statement of financial position

Bangkok Airways Public Company Limited and its subsidiaries As at 31 December 2019

Unit: Million Baht

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
• Cash and cash equivalents	8	5,273,123,851	4,347,738,060	4,718,138,616	3,815,263,308
• Current investments	9	4,046,141,552	3,300,000,000	4,000,000,000	3,300,000,000
• Trade and other receivables	7, 10	1,535,366,561	1,713,449,877	949,363,874	1,140,119,849
• Inventories	11	509,698,930	541,644,828	394,446,355	401,263,965
• Prepaid expenses		186,264,066	261,291,194	154,862,361	238,568,376
• Reimbursable maintenance expenses		857,812,137	1,050,344,785	857,812,137	1,050,344,785
• Other current assets		181,056,552	215,365,302	62,237,242	88,542,536
Total current assets		12,589,463,649	11,429,834,046	11,136,860,585	10,034,102,819
Non-current assets					
• Restricted bank deposits		3,559,826	3,500,000	-	-
• Investments in subsidiaries	12	-	-	5,912,474,174	5,734,478,184
• Investments in associates	13	2,920,216,782	2,902,134,194	3,626,408,941	3,626,408,941
• Other long-term investments	14	29,050,557,607	30,269,983,221	23,771,807,607	25,206,483,221
• Long-term loans to and interest receivable from related party	7	-	-	100,842,466	104,868,836
• Investment properties	15	258,565,533	278,785,997	505,211,539	530,226,201
• Property, plant and equipment	16	15,608,164,766	15,520,191,352	13,486,279,374	13,408,727,635
• Intangible assets	17	557,708,705	561,002,998	225,890,535	181,058,127
• Leasehold rights		31,992,443	35,971,814	31,992,443	35,971,814
• Deferred tax assets	32.1	59,943,582	41,840,766	-	-
• Goodwill		26,247,681	26,247,681	-	-
• Deposits	7	643,750,905	805,493,847	621,215,311	793,917,269
• Other non-current assets	18	157,556,981	192,029,573	156,691,182	190,991,042
Total non-current assets		49,318,264,811	50,637,181,443	48,438,813,572	49,813,131,270
Total assets		61,907,728,460	62,067,015,489	59,575,674,157	59,847,234,089

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

Statement of financial position (continue)

Bangkok Airways Public Company Limited and its subsidiaries As at 31 December 2019

Unit: Million Baht

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
• Short-term loans from financial institution	19	50,000,000	35,145,763	-	-
• Trade and other payables	7, 20	3,183,179,251	2,883,262,148	3,098,734,086	2,659,203,596
• Current portion of long-term loans	21	582,931,143	248,607,618	165,573,294	92,443,389
• Income tax payable		277,320,995	13,129,643	220,867,235	-
• Current portion of liabilities arising from finance lease of aircrafts	22	363,414,425	385,271,823	363,414,425	385,271,823
• Current portion of finance lease liabilities	23	48,286,242	57,356,528	30,103,238	37,465,639
• Current portion of long-term lease liabilities from related party	24	78,599,105	34,293,354	78,599,105	34,293,354
• Unearned income		2,343,723,750	2,531,032,711	2,342,435,423	2,525,430,723
• Other current liabilities	7, 25	2,329,096,839	2,152,104,774	1,883,120,194	1,761,572,744
Total current liabilities		9,256,551,750	8,340,204,362	8,182,847,000	7,495,681,268
Non-current liabilities					
• Long-term loans - net of current portion	21	2,400,692,285	1,968,795,202	1,691,415,240	1,016,459,811
• Liabilities arising from finance lease of aircrafts - net of current portion	22	2,879,028,844	3,482,983,477	2,879,028,844	3,482,983,477
• Finance lease liabilities - net of current portion	23	35,629,295	51,125,186	15,096,213	22,108,801
• Long-term lease liabilities from related party - net of current portion	24	11,252,380,024	11,330,979,129	11,252,380,024	11,330,979,129
• Provision for long-term employee benefits	26	956,604,393	722,583,081	702,894,415	548,645,179
• Deferred tax liabilities	32.1	5,060,031,358	5,330,258,774	4,197,875,285	4,515,296,613
• Other non-current liabilities		62,317,619	61,939,266	-	-
Total non-current liabilities		22,646,683,818	22,948,664,115	20,738,690,021	20,916,473,010
Total liabilities		31,903,235,568	31,288,868,477	28,921,537,021	28,412,154,278

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

Statement of financial position (continue)

Bangkok Airways Public Company Limited and its subsidiaries As at 31 December 2019

Unit: Million Baht

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital					
• Registered					
- 2,100,000,000 ordinary shares of Baht 1 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
• Issued and paid-up					
- 2,100,000,000 ordinary shares of Baht 1 each		2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
• Premium on ordinary shares		9,319,481,872	9,319,481,872	9,319,481,872	9,319,481,872
• Discount on changes in shareholding in subsidiaries		(211,165,781)	(211,165,781)	(211,165,781)	(211,165,781)
• Retained earnings (deficits)					
- Appropriated					
Statutory reserve	27	210,000,000	210,000,000	210,000,000	210,000,000
Others	28	491,556,177	366,783,940	491,556,177	366,783,940
- Unappropriated		(405,300,980)	(544,162,936)	300,891,179	180,111,811
• Treasury stocks	28	(491,556,177)	(366,783,940)	(491,556,177)	(366,783,940)
• Other components of shareholders' equity		18,934,929,866	19,836,651,909	18,934,929,866	19,836,651,909
• Equity attributable to owners of the Company		29,947,944,977	30,710,805,064	30,654,137,136	31,435,079,811
• Non-controlling interests of the subsidiaries		56,547,915	67,341,948	-	-
Total shareholders' equity		30,004,492,892	30,778,147,012	30,654,137,136	31,435,079,811
Total liabilities and shareholders' equity		61,907,728,460	62,067,015,489	59,575,674,157	59,847,234,089

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

Statement of comprehensive income

Bangkok Airways Public Company Limited and its subsidiaries As at 31 December 2019

Unit: Million Baht

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
• Passenger fare	7	18,862,113,903	20,258,924,589	18,862,525,618	20,259,607,510
• Sales and service income	7	4,350,332,043	4,082,360,435	-	-
• Freight	7	201,812,779	216,468,418	201,950,465	216,546,517
• Passenger service charge		547,293,126	598,125,783	547,293,126	598,125,783
• Dividend income	7	577,335,914	418,563,363	1,277,735,511	1,215,075,586
• Interest income	7	104,398,055	114,034,600	104,025,027	113,363,423
• Gain on sales of investments	13, 14	1,990,774,573	384,803,401	1,990,774,573	307,275,147
• Gain on exchange rate		-	164,735,157	-	156,441,129
• Reversal of accrued concession fee	30	140,038,512	-	-	-
• Other income	7	1,835,127,983	1,705,611,567	1,999,465,928	1,879,749,187
Total revenues		28,609,226,888	27,943,627,313	24,983,770,248	24,746,184,282
Expenses					
• Cost of sales and services	7	22,324,445,406	22,339,482,444	19,346,214,376	19,742,871,572
• Selling and distribution expenses	7	1,894,714,571	2,099,196,175	1,858,762,266	2,065,741,819
• Administrative expenses	7	2,702,851,499	2,074,650,205	2,052,961,525	1,412,398,602
• Loss on exchange rate		2,074,656	-	13,609,074	-
• Other expenses		3,878,841	1,948,784	-	-
Total expenses		26,927,964,973	26,515,277,608	23,271,547,241	23,221,011,993
Profit before share of profit from investments in subsidiaries and associates, finance cost and income tax revenue (expenses)		1,681,261,915	1,428,349,705	1,712,223,007	1,525,172,289
• Share of profit from investments in subsidiaries	12.2	-	-	542,232,112	503,592,371
• Share of profit from investments in associates	13.2	808,682,185	802,529,199	-	-
Profit before finance cost and income tax revenue (expenses)		2,489,944,100	2,230,878,904	2,254,455,119	2,028,764,660
• Finance cost	7	(1,769,495,769)	(1,874,102,145)	(1,712,443,358)	(1,819,510,716)
Profit before income tax revenue (expenses)		720,448,331	356,776,759	542,011,761	209,253,944
• Income tax revenue (expenses)	32.2	(363,776,212)	(93,065,771)	(209,259,655)	30,264,209
Profit for the year		356,672,119	263,710,988	332,752,106	239,518,153

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

Statement of comprehensive income (continue)

Bangkok Airways Public Company Limited and its subsidiaries As at 31 December 2019

Unit: Million Baht

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
• Share of other comprehensive income from investments in subsidiaries	12.2	-	-	172,199,898	623,199,626
• Gain (loss) on changes in value of available-for-sale investments		(1,127,152,425)	3,975,156,456	(1,342,402,426)	3,196,156,455
• Less: Income tax effect	32.3	225,430,485	(795,031,290)	268,480,485	(639,231,291)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(901,721,940)	3,180,125,166	(901,722,043)	3,180,124,790
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
• Share of other comprehensive income from investments in subsidiaries	12.2	-	-	(6,811,078)	5,402,000
• Actuarial gain (loss) on defined benefits plan	26	85,700,005	(37,108,717)	95,159,837	(44,611,497)
• Less: Income tax effect	32.3	(7,724,887)	2,870,972	(9,616,853)	4,371,528
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		77,975,118	(34,237,745)	78,731,906	(34,837,969)
Other comprehensive income for the year		(823,746,822)	3,145,887,421	(822,990,137)	3,145,286,821
Total comprehensive income for the year		(467,074,703)	3,409,598,409	(490,238,031)	3,384,804,974
Profit attributable to:					
• Equity holders of the Company		350,834,694	249,263,106	332,752,106	239,518,153
• Non-controlling interests of the subsidiaries		5,837,425	14,447,882		
		356,672,119	263,710,988		
Total comprehensive income attributable to:					
• Equity holders of the Company		(472,155,443)	3,394,549,928	(490,238,031)	3,384,804,974
• Non-controlling interests of the subsidiaries		5,080,740	15,048,481		
		(467,074,703)	3,409,598,409		
Earnings per share	34				
• Basic earnings per share		0.17	0.12	0.16	0.11
- Profit attributable to equity holders of the Company					
Weighted average number of ordinary shares (shares) of Baht 1 each		2,060,727,917	2,094,606,860	2,060,727,917	2,094,606,860

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

Statement of changes in shareholders' equity

Bangkok Airways Public Company Limited and its subsidiaries For the year ended 31 December 2019

Unit: Million Baht

Consolidated financial statements													
Equity attributable to owners of the Company													
	Note	Retained earnings (deficits)					Other components of shareholders' equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
		Issued and paid-up share capital	Premium on ordinary shares	Discount on changes in shareholding in subsidiaries	Appropriated		Treasury stock	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity				
					Statutory reserve	Others							
Balance as at 1 January 2018		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	-	238,195,867	-	16,656,527,119	16,656,527,119	28,313,039,077	72,550,926	28,385,590,003
• Profit for the year		-	-	-	-	-	249,263,106	-	-	-	249,263,106	14,447,882	263,710,988
• Other comprehensive income for the year		-	-	-	-	-	(34,837,969)	-	3,180,124,790	3,180,124,790	3,145,286,821	600,600	3,145,887,421
• Total comprehensive income for the year		-	-	-	-	-	214,425,137	-	3,180,124,790	3,180,124,790	3,394,549,927	15,048,482	3,409,598,409
• Repurchase ordinary shares	28	-	-	-	-	-	-	(366,783,940)	-	-	(366,783,940)	-	(366,783,940)
• Reserve for treasury stock	28	-	-	-	-	-	366,783,940	-	-	-	-	-	-
• Share capital - non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	114	114
• Dividend paid	37	-	-	-	-	-	-	(630,000,000)	-	-	(630,000,000)	-	(630,000,000)
• Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	(11,070,064)	(11,070,064)
• The subsidiary paid for capital reduction of the subsidiary		-	-	-	-	-	-	-	-	-	-	(9,187,510)	(9,187,510)
Balance as at 31 December 2018		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	366,783,940	(544,162,936)	(366,783,940)	19,836,651,909	19,836,651,909	30,710,805,064	67,341,948	30,778,147,012
Balance as at 1 January 2019	4	2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	366,783,940	(544,162,936)	(366,783,940)	19,836,651,909	19,836,651,909	30,710,805,064	67,341,948	30,778,147,012
• Cumulative effect of change in accounting policy due to the adoption of new financial reporting standard		-	-	-	-	-	(1,132,407)	-	-	-	(1,132,407)	-	(1,132,407)
• Profit for the year		-	-	-	-	-	350,834,694	-	-	-	350,834,694	5,837,425	356,672,119
• Other comprehensive income for the year		-	-	-	-	-	78,731,906	-	(901,722,043)	(901,722,043)	(822,990,137)	(756,685)	(823,746,822)
• Total comprehensive income for the year		-	-	-	-	-	429,566,600	-	(901,722,043)	(901,722,043)	(472,155,443)	5,080,740	(467,074,703)
• Repurchase ordinary shares		-	-	-	-	-	-	(124,772,237)	-	-	(124,772,237)	-	(124,772,237)
• Reserve for treasury stock	28	-	-	-	-	-	124,772,237	-	-	-	-	-	-
• Share capital - non-controlling interests of the subsidiaries	28	-	-	-	-	-	-	-	-	-	-	320	320
• Dividend paid	37	-	-	-	-	-	-	(164,800,000)	-	-	(164,800,000)	-	(164,800,000)
• Dividend paid to non-controlling interests of the subsidiaries		-	-	-	-	-	-	-	-	-	-	(15,875,093)	(15,875,093)
Balance as at 31 December 2019		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	491,556,177	(405,300,980)	(491,556,177)	18,934,929,866	18,934,929,866	29,947,944,977	56,547,915	30,004,492,892

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

Statement of changes in shareholders' equity (continue)

Bangkok Airways Public Company Limited and its subsidiaries For the year ended 31 December 2019

Unit: Million Baht

Separate financial statements										
	Note	Issued and paid-up share capital	Premium on ordinary shares	Discount on changes in shareholding in subsidiaries	Retained earnings			Other components of shareholders' equity		
					Appropriated	Unappropriated	Treasury stock	Share of other comprehensive income from investments in subsidiaries	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity
					Statutory reserve	Others				
Balance as at 1 January 2018		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	-	-	2,910,397,902	13,746,129,217	16,656,527,119
• Profit for the year		-	-	-	-	972,215,567	-	-	-	29,047,058,777
• Other comprehensive income for the year		-	-	-	-	239,518,153	-	-	-	239,518,153
• Total comprehensive income for the year		-	-	-	-	(34,837,969)	-	623,199,626	2,556,925,164	3,145,286,821
• Repurchase ordinary shares	28	-	-	-	-	204,680,184	-	623,199,626	2,556,925,164	3,384,804,974
• Reserve for treasury stock	28	-	-	-	-	-	(366,783,940)	-	-	(366,783,940)
• Dividend paid	37	-	-	-	-	(630,000,000)	-	-	-	(630,000,000)
Balance as at 31 December 2018		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	366,783,940	(366,783,940)	3,533,597,528	16,303,054,381	19,836,651,909
Balance as at 1 January 2019		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	366,783,940	(366,783,940)	3,533,597,528	16,303,054,381	31,435,079,811
• Cumulative effect of change in accounting policy due to the adoption of new financial reporting standard	4	-	-	-	-	-	-	-	-	(1,132,407)
• Profit for the year		-	-	-	-	332,752,106	-	-	-	332,752,106
• Other comprehensive income for the year		-	-	-	-	78,731,906	-	172,199,898	(1,073,921,941)	(822,990,137)
• Total comprehensive income for the year		-	-	-	-	411,484,012	-	172,199,898	(1,073,921,941)	(490,238,031)
• Repurchase ordinary shares	28	-	-	-	-	-	(124,772,237)	-	-	(124,772,237)
• Reserve for treasury stock	28	-	-	-	-	-	-	-	-	-
• Dividend paid	37	-	-	-	-	(164,800,000)	-	-	-	(164,800,000)
Balance as at 31 December 2019		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	491,556,177	(491,556,177)	3,705,797,426	15,229,132,440	18,334,929,866
Balance as at 31 December 2019		2,100,000,000	9,319,481,872	(211,165,781)	210,000,000	491,556,177	(491,556,177)	3,705,797,426	15,229,132,440	30,654,137,136

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

Statement of cash flows

Bangkok Airways Public Company Limited and its subsidiaries For the year ended 31 December 2019

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	720,448,331	356,776,759	542,011,761	209,253,944
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
• Depreciation and amortisation	1,421,529,437	1,380,228,089	1,096,399,250	1,069,396,965
• Allowance for doubtful accounts (reversal)	4,574,524	(35,929,904)	(9,021,161)	(5,008,817)
• Reduction of inventory to net realisable value (reversal)	(711,182)	947,421	(24,066)	(4,206)
• Gain on sales of property, plant and equipment	(179,255,316)	(50,943,204)	(182,025,178)	(59,067,436)
• Gain on sales of leasehold rights	(2,416,443)	-	(2,416,443)	-
• Gain on sales of long-term investments	(1,990,774,573)	(276)	(1,990,774,573)	-
• Gain on sales of investment in associate	-	(384,803,125)	-	(307,275,147)
• Share of profit from investments in subsidiaries	-	-	(542,232,112)	(503,592,371)
• Share of profit from investments in associates	(808,682,185)	(802,529,199)	-	-
• Provision for long-term employee benefits	347,287,744	136,581,490	273,185,549	91,803,055
• Unrealised gain on exchange rate	(80,823,935)	(27,036,499)	(81,595,549)	(26,826,255)
• Dividend income	(577,335,914)	(418,563,363)	(1,277,735,511)	(1,215,075,586)
• Interest income	(104,398,055)	(114,034,600)	(104,025,027)	(113,363,423)
• Finance cost	1,769,495,769	1,874,102,145	1,712,443,358	1,819,510,716
Profit (loss) from operating activities before changes in operating assets and liabilities	518,938,202	1,914,795,734	(565,809,702)	959,751,439
Operating assets (increase) decrease				
• Trade and other receivables	173,431,338	70,788,060	200,083,573	74,269,361
• Inventories	32,657,079	(45,717,532)	6,841,677	(42,543,221)
• Other current assets	307,046,970	547,666,036	303,881,017	562,459,300
• Other assets	121,795,971	(93,113,389)	132,754,988	(93,748,597)
Operating liabilities increase (decrease)				
• Trade and other payables	340,194,404	59,083,477	446,035,981	93,384,451
• Other current liabilities	(151,599,603)	(36,743,544)	(202,836,059)	(5,346,334)
• Long-term employee benefits paid	(27,566,427)	(45,127,899)	(23,776,476)	(37,549,591)
• Other non-current liabilities	378,352	7,230,297	-	-
Cash flows from operating activities	1,315,276,286	2,378,861,240	297,174,999	1,510,676,808
• Cash received from corporate income tax return	28,272,112	-	28,272,112	-
• Cash paid for corporate income tax	(167,706,611)	(476,999,798)	(40,922,366)	(297,648,753)
Net cash flows from operating activities	1,175,841,787	1,901,861,442	284,524,745	1,213,028,055

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

Statement of cash flows (continue)

Bangkok Airways Public Company Limited and its subsidiaries For the year ended 31 December 2019

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	(59,826)	689,649	-	1,689,649
Decrease (increase) in current investments	(746,141,552)	3,151,000,000	(700,000,000)	3,151,000,000
Cash paid for acquisition of investments in subsidiaries	-	(37,113,069)	-	-
Cash paid for acquisition of other long-term investments	(105,752,697)	(2,266,916,629)	(105,752,697)	(2,266,916,629)
Cash paid for acquisition of property, plant and equipment	(2,011,740,725)	(2,435,562,889)	(1,684,818,617)	(2,009,408,392)
Cash paid for acquisition of intangible assets	(93,171,935)	(33,958,611)	(91,747,857)	(23,917,171)
Cash paid for acquisition of leasehold rights	(50,335)	(1,500,000)	(50,335)	(1,500,000)
Increase in long-term loan to related party	-	-	-	(50,000,000)
Cash received from long-term loan to related party	-	-	-	50,000,000
Cash received from interest income	101,029,885	112,602,823	104,827,013	107,930,067
Dividend income from investments in subsidiaries	-	-	529,624,939	467,247,699
Dividend income from investments in associates	790,599,597	870,312,223	790,599,597	870,312,223
Dividend income from other long-term investments	577,335,914	418,563,363	487,135,914	344,763,363
Cash received from sales of property, plant and equipment	789,234,447	253,329,701	788,241,699	251,184,810
Cash received from sales of investments in associate	-	654,862,729	-	654,862,729
Cash received from sales of leasehold rights	5,041,332	-	5,041,332	-
Cash received from sales of long-term investments	2,188,800,456	130,873,657	2,188,800,456	129,867,907
Net cash flows from investing activities	1,495,124,561	817,182,947	2,311,901,444	1,677,116,255

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

Statement of cash flows (continue)

Bangkok Airways Public Company Limited and its subsidiaries For the year ended 31 December 2019

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from financing activities				
Increase in short-term loans from financial institution	14,824,471	3,902,334	-	-
Cash received from long-term loans	1,118,224,000	1,615,707,675	960,224,000	1,113,505,951
Repayment of long-term loans	(276,184,958)	(172,833,409)	(136,320,232)	-
Repayment of long-term lease liabilities from related party	(34,293,354)	(13,646,070)	(34,293,354)	(13,646,070)
Cash paid for liabilities under finance lease payable	(460,833,366)	(461,542,418)	(448,875,623)	(443,758,063)
Cash paid for interest expenses	(1,801,870,340)	(1,849,236,077)	(1,744,713,435)	(1,794,663,888)
Dividend paid	(164,800,000)	(630,000,000)	(164,800,000)	(630,000,000)
Dividend paid to non-controlling interests of the subsidiaries	(15,875,093)	(32,572,352)	-	-
Cash paid for capital reduction to non-controlling interests of the subsidiary	-	(9,187,510)	-	-
Repurchase ordinary shares	(124,772,237)	(366,783,940)	(124,772,237)	(366,783,940)
Cash received from share capital - non-controlling interests of the subsidiaries	320	114	-	-
Net cash flows used in financing activities	(1,745,580,557)	(1,916,191,653)	(1,693,550,881)	(2,135,346,010)
Net increase in cash and cash equivalents	925,385,791	802,852,736	902,875,308	754,798,300
Cash and cash equivalents at beginning of the year	4,347,738,060	3,544,885,324	3,815,263,308	3,060,465,008
Cash and cash equivalents at end of the year (Note 8)	5,273,123,851	4,347,738,060	4,718,138,616	3,815,263,308
Supplemental cash flow information:				
Non-cash items				
• Decrease in other receivable from sale of long-term investments	-	(129,028,007)	-	(129,028,007)
• Decrease in accrued dividend income	-	-	-	(268,497,720)
• Decrease in dividend payables	-	(21,502,288)	-	-
• Increase (decrease) in payable from acquisition of assets	(37,191,577)	20,302,948	(3,060,800)	3,713,357
• Decrease in payable from acquisition of intangible assets	-	(7,108,342)	-	(7,108,342)
• Purchase of assets under finance lease	26,841,322	24,709,544	25,074,766	5,938,904
• Gain (loss) on changes in value of available-for-sale investments - net of income taxes	(901,721,940)	3,180,125,166	(901,722,043)	3,180,124,790

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

Notes to consolidated financial statements

Bangkok Airways Public Company Limited and its subsidiaries for the year ended 31 December 2019

1. General information

Bangkok Airways Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of air transportation and airport services. The registered office of the Company is at 99 Moo 14, Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok.

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 Airways 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 (%)
Held by the Company				
Bangkok Air Catering Co., Ltd.	Catering services	Thailand	90.00	90.00
Bangkok Airways Ground Services Co., Ltd.	Ground services	Thailand	99.99	99.99
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground services	Thailand	98.88	98.88
Bangkok Airways Holding Co., Ltd.	Holding	Thailand	99.99	99.99
Held by subsidiary companies				
BAC Gourmet House Co., Ltd. (99.99% held by Bangkok Air Catering Co., Ltd.)	Restaurant	Thailand	89.99	89.99
Bangkok Air Catering Phuket Co., Ltd. (99.96% held by Bangkok Air Catering Co., Ltd.)	Catering services	Thailand	89.96	89.96
Bangkok Air Catering Samui Co., Ltd. (99.99% held by Bangkok Air Catering Co., Ltd.)	Catering services	Thailand	89.99	89.99
Bangkok Air Catering Chiang Mai Co., Ltd. (99.99% held by Bangkok Air Catering Co., Ltd.)	Catering services	Thailand	89.99	89.99
Bangkok Air Catering Don Mueang Co., Ltd. (70.00% held by Bangkok Air Catering Co., Ltd. and 30.00% held by Gourmet Primo Co., Ltd.)	Catering services	Thailand	92.99	-
SA Services Co., Ltd. (99.99% held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)	Ground services	Thailand	98.87	98.87
BFS Cargo DMK Co., Ltd. (51.00% held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)	Cargo	Thailand	50.43	50.43
Gourmet Primo Co., Ltd. (99.99% held by Bangkok Airways Holding Co., Ltd.)	Produce and process food for distribution	Thailand	99.98	99.98
More Than Free Co., Ltd. (100.00% held by Bangkok Airways Holding Co., Ltd.)	Distribution of souvenirs in duty free shop and rendering management services	Thailand	99.99	99.99
Bangkokair Aviation Training Center Co., Ltd. (100.00% held by Bangkok Airways Holding Co., Ltd.)	Aviation training business	Thailand	99.99	99.99

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's 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 TFRS 15 to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Group adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. The cumulative effect of the change is described in Note 4 to the consolidated financial statements.

b) Financial reporting standards that will become 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
<hr/>	
Accounting standard:	
TAS 32	Financial Instruments: Presentation
<hr/>	
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 Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies and investments in available-for-sale equity securities - The Group is to measure investments in equity instruments of non-listed companies and investments in available-for-sale equity securities at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. However, the Group is currently considering application of hedge accounting for certain derivatives. Fair value of derivatives is described in Note 41.4 to the consolidated financial statements.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The financial reporting 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 Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group 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 the Group's assets and liabilities by approximately Baht 4.9 billion (Separate financial statements: approximately Baht 4.6 billion).

4. Cumulative effect of change in accounting policy due to the adoption of new financial reporting standard

As described in Note 3 to the consolidated financial statements, during the current year, the Group has adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information was not restated.

The effect of the change in accounting policy due to the adoption of this financial reporting standard on the beginning balance of retained earnings for 2019 comprises:

Unit: Thousand Baht

	Consolidated and separate financial statements
Impact on retained earnings as at 1 January 2019	
Decrease in revenue from changing air ticket	1,132
Total	1,132

The amounts of adjustment affecting the statements of financial position as at 31 December 2019 and the statements of comprehensive income for the year ended 31 December 2019 are summarised below.

Unit: Thousand Baht

	Consolidated financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Liabilities			
Unearned income	2,334,045	9,679	2,343,724
Shareholders' equity			
Deficit - Unappropriated	(395,622)	(9,679)	(405,301)
Statement of comprehensive income			
Profit or loss			
Other income	1,843,675	(8,547)	1,835,128
Profit attributable to			
Equity holders of the Company	359,382	(8,547)	350,835
Earnings per share (Baht)			
Basic earnings per share	0.17	-	0.17

	Separate financial statements		
	Previous accounting policy	Increase (decrease)	TFRS 15
Statement of financial position			
Liabilities			
Unearned income	2,332,756	9,679	2,342,435
Shareholders' equity			
Deficit - Unappropriated	310,570	(9,679)	300,891
Statement of comprehensive income			
Profit or loss			
Other income	2,008,013	(8,547)	1,999,466
Profit attributable to			
Equity holders of the Company	341,299	(8,547)	332,752
Earnings per share (Baht)			
Basic earnings per share	0.17	(0.01)	0.16

The nature of this adjustment is described below:

- Revenue from changing air ticket - since the Group has determined that revenue from changing air ticket is a performance obligation of air transportation service and should be recognised as revenue when transportation is provided. Previously, revenue was recognised in full when the changing air ticket service is provided.

5. Significant accounting policies

5.1 Revenues and expenses recognition

- Passenger revenues**

Revenue from ticket sales is recognised as revenue in profit or loss when transportation is provided.

- Customer loyalty programmes**

The Company operates a loyalty programme which allows customers to accumulate points when customers purchase tickets from the Company. The points can be redeemed for air tickets, hotel accommodations or gifts under conditions set by the Company.

The value of air tickets sales and redemption costs are allocated to the points issued, at the fair value of the points, and gradually recognised as revenue when the points are redeemed and the Company fulfills its contractual obligation to supply rewards.

- **Service rendered**

Revenue from providing service to passengers, freight and passenger service charge is recognised in profit or loss when the services are provided.

- **Revenue from changing air ticket**

Revenue from changing air ticket is recognised as revenue when transportation is provided.

- **Sales of goods**

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

- **Interest income**

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

- **Dividends**

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

- **Finance cost**

Finance cost is recognised on an accrual basis and calculated using the effective interest rate.

5.2 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.

5.3 Trade and other receivables

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

5.4 Inventories

Inventories are valued at the lower of cost (under the first in - first out method) or net realisable value.

Spare parts, supplies and air tickets are valued at cost (under the moving average method) and constituted part of expenses whenever consumed.

5.5 Reimbursable maintenance expenses

Reimbursable maintenance expenses are prepayment maintenance reserve fund which the Company pay to the lessor at the rate specified in the agreement. The Company can reimburse when sending the aircraft to maintenance in accordance with maintenance plan with the conditions stipulated in the agreements.

5.6 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries are using the equity method and investments in associates are using the cost method in the separate financial statements.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

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

5.8 Property, plant and equipment and depreciation

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

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

- | | |
|---------------------------------------|--------------|
| • Buildings and improvements | 3 - 20 years |
| • Airport and improvements | 20 years |
| • Aircrafts | 20 years |
| • Aircraft parts and ground equipment | 3 - 20 years |
| • Furniture, fixtures and equipment | 3 - 10 years |
| • Vehicles | 5 - 10 years |

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.9 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.

5.10 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite useful lives are amortised on a systematic basis over the economic useful lives and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
• Concessions	20 years
• Computer software	5 - 10 years

5.11 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The subsidiary estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.12 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.13 Long-term leases

Leases of 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 or 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 are depreciated over the useful lives of the assets.

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 expenses in profit or loss on a straight-line basis over the lease term.

5.14 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.

5.15 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired and also carries out annual impairment reviews in respect of goodwill. 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.

5.16 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

- **Defined contribution plans**

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

- **Defined benefit plans**

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

5.17 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.18 Treasury stock

Treasury stock is stated at cost and presented as a deduction from shareholders' equity in the statement of financial position. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock, losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury stock and retained earnings, consecutively.

The weighted average method is used for computation of the unit cost of treasury stock.

5.19 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 Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.20 Derivatives

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

Cross currency swap agreement

Payables and receivables arising from cross currency swap agreements are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are recognised in profit or loss.

5.21 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 Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that is appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- **Level 1**
Use of quoted market prices in an active market for such assets or liabilities
- **Level 2**
Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- **Level 3**
Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. 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 have been transferred, taking into consideration terms and conditions of the arrangement.

- **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

- **Fair value of financial instruments**

In determining the fair value of financial instruments disclosed in notes to financial statements that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value disclosed in the notes to financial statements and disclosures of fair value hierarchy.

- **Impairment of investments in securities**

The Group treats available-for-sale investments and other investments as impaired when there have been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

- **Property plant and equipment, investment properties and depreciation**

In determining depreciation of plant and equipment and investment properties, the management is required to make estimates of the useful lives and residual values of the plant and equipment and investment properties and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment and investment properties for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

- **Goodwill**

The initial recognition and measurement of goodwill, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

- **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

- **Post-employment benefits under defined benefit plans**

The obligation under the defined 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 Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and recorded contingent liabilities as at the end of reporting period.

7. Related party transactions

The relationships between the Company and the related companies are presented below.

List of related companies	Relationship
Bangkok Air Catering Co., Ltd.	Subsidiary
Bangkok Airways Ground Services Co., Ltd.	Subsidiary
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Subsidiary
Bangkok Airways Holding Co., Ltd.	Subsidiary
BAC Gourmet House Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Phuket Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Samui Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Chiang Mai Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Don Mueang Co., Ltd.	Subsidiary (held by a subsidiary)
SA Services Co., Ltd.	Subsidiary (held by a subsidiary)
BFS Cargo DMK Co., Ltd.	Subsidiary (held by a subsidiary)
Gourmet Primo Co., Ltd.	Subsidiary (held by a subsidiary)
More Than Free Co., Ltd.	Subsidiary (held by a subsidiary)
Bangkokair Aviation Training Center Co., Ltd.	Subsidiary (held by a subsidiary)
WFS-PG Cargo Co., Ltd.	Associate
Samui Airport Property Fund (Leasehold)	Associate
Aeronautical Radio of Thailand Ltd.	Common directors
Bangkok Hospital Chiangmai Co., Ltd.	Common directors
Samitivej Plc.	Common directors
Bangkok Save Drug Co., Ltd.	Common directors
The Krungthep Thanakom Co., Ltd.	Common directors
Bangkok Health Insurance Plc.	Common directors
Bangkok Premier Life Insurance Broker Co., Ltd.	Common directors
Siam Medical Co., Ltd.	Common directors
Kiattana Transport Plc.	Common directors
Khan Co., Ltd.	Common directors
Sing Sian Yer Pao Co., Ltd.	Common directors
Save Drug Center Co., Ltd.	Common directors
Three Sixtyfive Plc.	Common directors
Thai Kodama Co., Ltd.	Common directors
Thonburi Medical Centre Plc.	Common directors

List of related companies	Relationship
National Healthcare Systems Co., Ltd.	Common directors
BDMS Training Co., Ltd.	Common directors
BDMS Accounting Co., Ltd.	Common directors
Prasit Patana Plc.	Common directors
Parute (2008) Co., Ltd.	Common directors
Paolo Medic Co., Ltd.	Common directors
Paolo Samut Prakarn Co., Ltd.	Common directors
Pattaya Country Club Co., Ltd.	Common directors
BIRA Property Co., Ltd.	Common directors
Royal Bangkok Healthcare Co., Ltd.	Common directors
Phyathai 1 Hospital Co., Ltd.	Common directors
The Phya Thai II Hospital Co., Ltd.	Common directors
Phyathai 3 Hospital Co., Ltd.	Common directors
Sriracha Nakorn General Hospital Plc.	Common directors
Vanachai Group Plc.	Common directors
Visunee Landing Co., Ltd.	Common directors
Thai Medical Center Plc.	Common directors
The Medic Pharma Co., Ltd.	Common directors
Golden Lime Plc.	Common directors
Finansia Syrus Securities Plc.	Common directors
A.N.B. Laboratories Co., Ltd.	Common directors
Advanced Information Technology Plc.	Common directors
Khao Kor Wind Power Co., Ltd.	Common directors
Sustainable Energy Corporation Co., Ltd.	Common directors
Greenline Synergy Co., Ltd.	Common directors
Bangkok Pattaya Hospital Co., Ltd.	Common directors
Bangkok Phuket Hospital Co., Ltd.	Common directors
Bangkok Phuket International Hospital Co., Ltd.	Common directors
General Hospital Products Plc.	Common directors
Fuel Pipeline Transportation Ltd.	Common directors
Loxley Plc.	Common directors
Norton Rose Fulbright (Thailand) Ltd.	Common directors

List of related companies	Relationship
BDMS Wellness Clinic Co., Ltd.	Common directors
Humex (Thailand) Co., Ltd.	Common directors
The One Enterprise Co., Ltd.	Common directors
EXACT Scenario Co., Ltd.	Common directors
ACTS Studio Co., Ltd.	Common directors
Royal Oriental Equity Co., Ltd.	Common directors
Hydroquip Co., Ltd.	Common directors
BDMS Property Management Co., Ltd.	Common directors
Chewathai Plc.	Common directors
Quality Delicious Co., Ltd.	Common directors
BDMS Wellness Resort Co., Ltd.	Common directors
One 31 Co., Ltd.	Common directors
Smart Limousine & Car Rent Co., Ltd.	Common directors
Para Development Finance & Securities Co., Ltd.	Common directors
Quality Delicious & Chef Man Co., Ltd.	Common directors
Silver Actif Co., Ltd.	Common directors
Somboon & Partners Co., Ltd.	Common directors
Bangkok Dusit Medical Services Plc.	Common shareholders and/or directors
Bangkok Media & Broadcasting Co., Ltd.	Common shareholders and/or directors
Bangkok Helicopter Services Co., Ltd.	Common shareholders and/or directors
Thai Petroleum Service Corp., Ltd.	Common shareholders and/or directors
Bangkok Golden Life Co., Ltd.	Common shareholders and/or directors
Prasarthong Osoth Co., Ltd.	Common shareholders and/or directors
Paradise Shopping Co., Ltd.	Common shareholders and/or directors
Samui Park Avenue Co., Ltd.	Common shareholders and/or directors
Samui Accom Co., Ltd.	Common shareholders and/or directors
Sukhothai Property Co., Ltd.	Common shareholders and/or directors
The Sahakol Estate Co., Ltd.	Common shareholders and/or directors
Dhammachart Na Thai Co., Ltd.	Common shareholders and/or directors
Bangkok Travel Club Co., Ltd.	Common shareholders and/or directors
Bangkok Airtour (1988) Co., Ltd.	Common shareholders and/or directors
Mae Aroon Co., Ltd.	Common shareholders and/or directors
Modern Manu Co., Ltd.	Common shareholders and/or directors

List of related companies	Relationship
Samui Convenient Store Co., Ltd.	Common shareholders and/or directors
Samui Palm Beach Royal Wing Co., Ltd.	Common shareholders and/or directors
Samui Airport Shop Co., Ltd.	Common shareholders and/or directors
Samui Palm Beach Resort Co., Ltd.	Common shareholders and/or directors
Sabai Sabai Niwet Co., Ltd.	Common shareholders and/or directors
Land & Vege Co., Ltd.	Common shareholders and/or directors
Grow Up 2014 Co., Ltd.	Common shareholders and/or directors
Pa Sanook Co., Ltd.	Common shareholders and/or directors
Hansaphasanuk Limited Partnership	Common shareholders and/or directors
Koh Chang Accom Limited Partnership	Common shareholders and/or directors
Sabai Sabai Sukhothai Co., Ltd.	Common shareholders and/or directors
Richness & Wealthy Co., Ltd.	Common shareholders and/or directors
Advocate Holding Co., Ltd.	Common shareholders and/or directors
Air Siem Reap Co., Ltd.	Common shareholders and/or directors
Bangkok Aviation Fuel Services Plc.	Common shareholders and/or directors
Krungthep Limousine Co., Ltd.	Common shareholders
Bangkok Smart Media Co., Ltd.	Common shareholders
Natural Rice Co., Ltd.	Common shareholders
Nature Tour Co., Ltd.	Common shareholders
Rankindeeyudee Limited Partnership	Common shareholders
Airport Restaurant Co., Ltd.	The Company's management is a director
Na Khao Pattana Co., Ltd.	The Company's management is a director
Food and Store Co., Ltd.	The director's relative is a shareholder and director
Bangkok Hospital Chiangrai Co., Ltd.	The director's relative is a shareholder and director
Bangkok Samui Hospital Co., Ltd.	The director's relative is a shareholder and director
Prananporn Co., Ltd.	The director's relative is a shareholder and director
PV Consulting Co., Ltd.	Deemed related party
Bangkok Airways (Cambodia) Co., Ltd.	Deemed related party
Orange Digital Media Co., Ltd.	Deemed related party
A.P. Sheriff Security Guard Co., Ltd.	Deemed related party
Bangkok Aviation Services Co., Ltd.	Deemed related party
Bangkok BSS Security Services Co., Ltd.	Deemed related party
BAGS Ground Services Co., Ltd.	Deemed related party
Security Bangkok Services Aviation Co., Ltd.	Deemed related party

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2019	2018	2019	2018	
Transactions with subsidiary companies (eliminated from the consolidated financial statements)					
Passenger income	-	-	-	1	Authorised price
Permission fee income	-	-	143	170	Contract price
Concession lounge service income	-	-	71	28	Contract price
Rental income	-	-	31	26	Contract price
Dividend income	-	-	530	199	As declared
Utilities income	-	-	4	4	Agreed upon
Interest income	-	-	5	5	MLR-1
Catering service expenses	-	-	526	526	Contract price
Ground service expenses	-	-	514	503	Contract price
Shipping service expenses	-	-	2	4	Contract price
Food and beverage expenses	-	-	14	15	Agreed upon
Rental expenses	-	-	4	1	Contract price
Employee expenses	-	-	2	1	Agreed upon
Flight cancellation and delay compensation	-	-	2	2	Agreed upon
Raw materials and supplies expenses	-	-	1	-	Agreed upon
Transactions with associated companies					
Ground service income	3	3	-	-	Agreed upon
Collection fee income	2	2	-	-	Contract price
Dividend income	-	-	791	870	As declared
Interest expenses	1,360	1,468	1,360	1,468	Contract price
Shipping service expenses	24	25	24	25	Contract price

Unit: Million Baht

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2019	2018	2019	2018	
Transactions with related companies					
Passenger income	34	60	34	60	Authorised price
Permission fee income	8	7	8	7	Contract price
Catering service income	179	177	-	-	Contract price
Cargo income	1	1	1	1	Market price
Ground service income	5	4	-	-	Agreed upon
Rental income	11	14	10	13	Contract price
Charter flight income	1	13	1	13	Contract price
Dividend income	577	419	487	345	As declared
Consulting income	3	3	3	3	Contract price
Advertising income	1	5	1	5	Contract price
Utilities income	3	3	3	3	Agreed upon
Compensation income	5	-	5	-	Agreed upon
Catering service expenses	1	1	1	1	Contract price
Ground service expenses	554	604	511	555	Contract price
Management expenses	131	140	130	140	Contract price
Security expenses	38	41	37	39	Contract price
Rental expenses	17	16	13	13	Contract price
Employee expenses	25	26	22	23	Agreed upon
Medical expenses	6	5	3	3	Market price
Aeronautical radio expenses	560	570	534	545	Market price
Fight cancelled and delayed compensation	1	1	1	1	Agreed upon
Charter flight expenses	-	2	-	-	Contract price
Raw materials and supplies expenses	6	7	-	-	Agreed upon
Shipping service expenses	6	6	6	6	Contract price
Other service expenses	6	5	4	4	Agreed upon
Advertising expenses	5	4	4	4	Contract price

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related companies are as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade and other receivables - related parties (Note 10)				
Subsidiaries (eliminated from the consolidated financial statements)	-	-	23,561	21,022
Associates	1,053	1,071	-	-
Related companies	21,572	26,955	4,838	11,125
Total trade and other receivables - related parties	22,625	28,026	28,399	32,147
Deposits - related parties				
Associates	47,500	47,500	47,500	47,500
Related companies	3,387	3,284	1,243	1,140
Total deposits - related parties	50,887	50,784	48,743	48,640
Trade and other payables - related parties (Note 20)				
Subsidiaries (eliminated from the consolidated financial statements)	-	-	209,372	197,695
Associates	125,604	127,461	115,941	117,767
Related companies	179,021	184,796	172,899	178,465
Total trade and other payables - related parties	304,625	312,257	498,212	493,927
Deposits - related parties (presented as other current liabilities)				
Subsidiaries (eliminated from the consolidated financial statements)	-	-	3,266	1,816
Related companies	3,982	3,558	3,982	3,558
Total deposits - related parties	3,982	3,558	7,248	5,374

Long-term loans to and interest receivable from related party

As at 31 December 2019 and 2018, the balance of loans to and accrued interest receivables between the Company and related party and the movements are as follows:

Unit: Thousand Baht

Loans to and accrued interest receivables	Related by	Separate financial statements			
		Balance as at 1 January 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2019
Gourmet Primo Co., Ltd.	Subsidiary	104,869	5,215	(9,242)	100,842
Total		104,869	5,215	(9,242)	100,842

As at 31 December 2019, long-term loans to related party carried interests MLR-1 per annum (2018: MLR-1 per annum).

Guarantee obligations with related parties

The Group has outstanding guarantee obligations with its related parties, as described in Note 38.4 to the consolidated financial statements.

Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to its directors and management as below.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	292	278	201	213
Post-employment benefits	20	22	15	16
Total	312	300	216	229

8. Cash and cash equivalents

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	62,195	54,110	59,148	51,161
Bank deposits	5,210,929	4,293,628	4,658,991	3,764,102
Total	5,273,124	4,347,738	4,718,139	3,815,263

As at 31 December 2019, bank deposits in savings accounts and fixed deposits carried interests between 0.1% and 1.3% per annum (2018: between 0.1% and 1.3% per annum) (Separate financial statements: between 0.1% and 1.1% per annum) (2018: between 0.1% and 1.1% per annum)). As at 31 December 2019, Baht 2.4 million of cash is cash on hand of stations located abroad (2018: None).

9. Current investments

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Fixed deposits over 3 months but not over 1 year	4,046,142	3,300,000	4,000,000	3,300,000
Total	4,046,142	3,300,000	4,000,000	3,300,000

As at 31 December 2019, fixed deposits carried interests between 1.0% and 1.8% per annum (2018: between 1.3% and 1.7% per annum).

10. Trade and other receivables

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - related parties				
Aged on the basis of due dates	20,125	21,087	26,221	23,598
Not yet due				
Past due				
• Up to 3 months	1,100	5,992	778	7,148
• 3 - 6 months	1,240	829	1,240	1,283
• 6 - 12 months	321	181	321	181
• Over 12 months	-	151	-	151
Total	22,786	28,240	28,560	32,361
Less: Allowance for doubtful debts	(161)	(214)	(161)	(214)
Total trade receivables - related parties, net	22,625	28,026	28,399	32,147
Trade receivables - unrelated parties				
Aged on the basis of due dates	1,280,041	1,405,443	787,254	927,457
Not yet due				
Past due				
• Up to 3 months	199,887	271,013	102,134	176,259
• 3 - 6 months	6,123	4,461	2,934	462
• 6 - 12 months	12,302	1,401	1,566	672
• Over 12 months	25,367	25,187	23,535	24,280
Total	1,523,720	1,707,505	917,423	1,129,130
Less: Allowance for doubtful debts	(39,493)	(25,972)	(24,815)	(24,889)
Total trade receivables - unrelated parties, net	1,484,227	1,681,533	892,608	1,104,241
Total trade receivables - net	1,506,852	1,709,559	921,007	1,136,388
Other receivables				
Other receivables - unrelated parties	42,701	18,077	37,427	12,802
Less: Allowance for doubtful debts	(14,186)	(14,186)	(9,070)	(9,070)
Total other receivables - net	28,515	3,891	28,357	3,732
Total trade and other receivables - net	1,535,367	1,713,450	949,364	1,140,120

11. Inventories

Unit: Thousand Baht

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Spare parts	407,452	408,040	(39,243)	(39,267)	368,209	368,773
Duty free goods	4,507	14,945	-	-	4,507	14,945
Foods and kitchen utensils	56,011	64,385	-	-	56,011	64,385
Air tickets	28	28	-	-	28	28
Others	82,908	96,166	(1,964)	(2,652)	80,944	93,514
Total	550,906	583,564	(41,207)	(41,919)	509,699	541,645

Unit: Thousand Baht

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Spare parts	407,452	408,040	(39,243)	(39,267)	368,209	368,773
Foods and kitchen utensils	13,851	17,701	-	-	13,851	17,701
Air tickets	28	28	-	-	28	28
Others	12,358	14,762	-	-	12,358	14,762
Total	433,689	440,531	(39,243)	(39,267)	394,446	401,264

12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in separate financial statements

are as follows:

Unit: Thousand Baht

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2019	2018	2019 (%)	2018 (%)	2019	2018	2019	2018
Bangkok Air Catering Co., Ltd.	500,000	500,000	90.00	90.00	579,469	579,469	421,469	478,911
Bangkok Airways Ground Services Co., Ltd.	250	250	99.99	99.99	250	250	112,626	67,015
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	670,000	670,000	98.88	98.88	739,924	739,924	846,157	874,654
Bangkok Airways Holding Co., Ltd.	1,001,000	1,001,000	99.99	99.99	1,000,999	1,000,999	4,532,222	4,313,898
Total					2,320,642	2,320,642	5,912,474	5,734,478

12.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of comprehensive income from investments in subsidiaries in the separate financial statements as follows:

Unit: Thousand Baht

Company's name	Share of profit from investments in subsidiaries		Share of other comprehensive income from investments in subsidiaries		Dividend received	
	2019	2018	2019	2018	2019	2018
Bangkok Air Catering Co., Ltd.	48,370	97,886	(6,811)	5,402	99,000	-
Bangkok Airways Ground Services Co., Ltd.	45,611	65,513	-	-	-	-
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	402,128	327,448	-	-	430,625	198,750
Bangkok Airways Holding Co., Ltd.	46,123	12,745	172,200	623,200	-	-
Total	542,232	503,592	165,389	628,602	529,625	198,750

12.3 Significant changes in investments in subsidiaries

Bangkok Air Catering Co., Ltd.

On 23 April 2019, a meeting of the Board of Directors of Bangkok Air Catering Co., Ltd. approved to set up Bangkok Air Catering Don Mueang Co., Ltd., a new subsidiary, for engaging in the catering service provider. Bangkok Air Catering Co., Ltd. will hold 70 percent and the remaining 30 percent of shareholding will hold by Gourmet Primo Co., Ltd. Subsequently, on 13 June 2019, Bangkok Air Catering Don Mueang Co., Ltd. was registered the Company's incorporation with a registered share capital of Baht 20 million with the Ministry of Commerce. Bangkok Air Catering Don Mueang Co., Ltd. already received such share subscription during the current year.

Gourmet Primo Co., Ltd.

On 21 June 2019, the Extraordinary General Meeting of shareholders of Gourmet Primo Co., Ltd. (the subsidiary of Bangkok Airways Holding Co., Ltd.) approved the increase of the registered share capital from Baht 75 million (7.5 million ordinary shares of Baht 10 each) to Baht 85 million (8.5 million ordinary shares of Baht 10 each), through the issuance of 1 million additional ordinary shares with a par value of Baht 10 each, for offering to its existing shareholders. In this regard, Bangkok Airways Holding Co., Ltd. already paid for such share subscription.

Subsequently, on 25 October 2019, the Extraordinary General Meeting of shareholders of Gourmet Primo Co., Ltd. approved the increase of the registered share capital from Baht 85 million (8.5 million ordinary shares of Baht 10 each) to Baht 100 million (10 million ordinary shares of Baht 10 each), through the issuance of 1.5 million additional ordinary shares with a par value of Baht 10 each, for offering to its existing shareholders. In this regard, Bangkok Airways Holding Co., Ltd. already paid for such share subscription.

Subsequently, on 11 December 2019, the Extraordinary General Meeting of shareholders of Gourmet Primo Co., Ltd. approved the increase of the registered share capital from Baht 100 million (10 million ordinary shares of Baht 10 each) to Baht 135 million (13.5 million ordinary shares of Baht 10 each), through the issuance of 3.5 million additional ordinary shares with a par value of Baht 10 each, for offering to its existing shareholders. Gourmet Primo Co., Ltd. called up 45 percent of issued share capital or Baht 4.5 per share. This constitutes a total called up capital of Baht 15.75 million. In December 2019, Gourmet Primo Co., Ltd. already received such payment.

Bangkokair Aviation Training Center Co., Ltd.

On 8 March 2019, a meeting of the Board of Directors of Bangkokair Aviation Training Center Co., Ltd. (the subsidiary of Bangkok Airways Holding Co., Ltd.) approved to call up 75 percent of issued share capital or Baht 75 per share from shareholders. This constitutes a total called up capital of Baht 7.5 million. Bangkokair Aviation Training Center Co., Ltd. already received such payment.

Subsequently, on 21 August 2019, a meeting of the Board of Directors of Bangkokair Aviation Training Center Co., Ltd. approved the increase of the registered share capital from Baht 10 million (100,000 ordinary shares of Baht 100 each) to Baht 50 million (500,000 ordinary shares of Baht 100 each), through the issuance of 400,000 additional ordinary shares with a par value of Baht 100 each, which Bangkokair Aviation Training Center Co., Ltd. called up 25 percent of issued share capital or Baht 25 per share. This constitutes a total called up capital of Baht 10 million. During the year, Bangkokair Aviation Training Center Co., Ltd. already received such payment and registered the increase of its capital with the Ministry of Commerce on 8 October 2019.

13. Investments in associates

13.1 Details of associates:

Unit: Thousand Baht

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2019 (%)	2018 (%)	2019	2018	2019	2018
WFS - PG Cargo Co., Ltd.	Cargo	Thailand	49.00	49.00	147,000	147,000	217,307	198,793
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	30.03	30.03	3,479,409	3,479,409	2,702,910	2,703,341
Total					3,626,409	3,626,409	2,920,217	2,902,134

Unit: Thousand Baht

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2019 (%)	2018 (%)	2019	2018
WFS - PG Cargo Co., Ltd.	Cargo	Thailand	49.00	49.00	147,000	147,000
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	30.03	30.03	3,479,409	3,479,409
Total					3,626,409	3,626,409

During the year 2018, the Company sold investments in Samui Airport Property Fund (Leasehold) and recognised gain on sales amounting to Baht 385 million in profit or loss in consolidated financial statements (Separate financial statements: Baht 307 million) (2019: None).

13.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investments in associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

Unit: Thousand Baht

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates		Dividend received	
	2019	2018	2019	2018
WFS - PG Cargo Co., Ltd.	415,414	381,789	396,900	426,300
Samui Airport Property Fund (Leasehold)	393,268	420,740	393,700	444,012
Total	808,682	802,529	790,600	870,312

13.3 Fair value of investments in listed associates

In respect of investments in associated companies that are listed companies on the Stock Exchange of Thailand, their fair values are as follows:

Unit: Million Baht

Company's name	Fair value as at 31 December	
	2019	2018
Samui Airport Property Fund (Leasehold)	6,476	6,533

13.4 Summarised financial information about material associates

Summarised information about financial position

Unit: Million Baht

	WFS - PG Cargo Co., Ltd.		Samui Airport Property Fund (Leasehold)	
	2019	2018	2019	2018
Current assets	272	204	118	127
Non-current assets	610	668	12,734	11,922
Current liabilities	(345)	(363)	(38)	(76)
Non-current liabilities	(87)	(94)	(48)	(48)
Net assets	450	415	12,766	11,925
Shareholding percentage (%)	49.00	49.00	30.03	30.03
Share of net assets	221	203	3,834	3,581
Elimination entries and other adjustments	(4)	(4)	(1,131)	(878)
Carrying amounts of associates based on equity method	217	199	2,703	2,703

Summarised information about comprehensive income

Unit: Million Baht

	For the years ended 31 December			
	WFS - PG Cargo Co., Ltd.		Samui Airport Property Fund (Leasehold)	
	2019	2018	2019	2018
Revenue	2,121	2,050	1,399	1,486
Profit	853	788	1,310	1,274
Total comprehensive income	853	788	1,310	1,274

14. Other long-term investments

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Available-for-sales securities				
• Marketable securities	4,841,673	4,938,901	4,195,173	4,292,401
• Add: Unrealised gain from revaluation	23,668,666	24,795,818	19,036,416	20,378,818
Available-for-sales securities - net	28,510,339	29,734,719	23,231,589	24,671,219
Other investments	540,219	535,264	540,219	535,264
Total	29,050,558	30,269,983	23,771,808	25,206,483

Certain available-for-sales securities with market value as at 31 December 2019 amounting to Baht 927 million (2018: Baht 889 million) have been used as collateral for long-term lease liabilities from related party as discussed in Note 24 to the consolidated financial statements.

During the current year, the Company sold available-for-sale securities with book value totaling Baht 198 million and recognised gain on sales amounting to Baht 1,991 million in profit or loss (2018: None).

The Group's investment policies focus on investments in attractive companies, that management has already determined will generate appropriate returns, the fair value of investments may be negatively affected by the local and global economic slowdown and financial recession. This downside may have a significant impact on the stock prices of the companies in which the Group has invested.

15. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 are presented below.

Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land for rent	Office and shops for rent	Total	Land for rent	Office and shops for rent	Total
31 December 2019						
Cost	10,526	404,409	414,935	222,903	500,293	723,196
Less: Accumulated depreciation	-	(156,369)	(156,369)	-	(217,985)	(217,985)
Net book value	10,526	248,040	258,566	222,903	282,308	505,211
31 December 2018						
Cost	10,526	404,409	414,935	222,903	500,293	723,196
Less: Accumulated depreciation	-	(136,149)	(136,149)	-	(192,970)	(192,970)
Net book value	10,526	268,260	278,786	222,903	307,323	530,226

A reconciliation of the net book value of investment properties for the year 2019 and 2018 are presented below.

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	278,786	299,006	530,226	555,241
Depreciation	(20,220)	(20,220)	(25,015)	(25,015)
Net book value at end of year	258,566	278,786	505,211	530,266

The fair value of the investment properties as at 31 December 2019 and 2018 are stated below:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Land for rent	154,019	146,685	441,389	420,979
Office and shops for rent	302,755	290,721	434,209	424,017

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer on the basis of income approach and market prices and, for some land, the valuation prices from The Treasury Department.

The Company has pledged investment properties amounting to approximately Baht 11 million (2018: Baht 11 million) as collateral for long-term lease liabilities from related party as discussed in Note 24 to the consolidated financial statements.

Investment properties for rent under operating leases

The Company has several operating lease agreements in respect of the lease of land occupancy rights, buildings and building improvement. The terms of the agreements are generally from 3 to 10 years. As at 31 December 2019 and 2018, future minimum rental income to be generated under these operating leases is as follows.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
In up to 1 year	29	33	32	42
In over 1 and up to 5 years	74	89	74	92
In over 5 years	12	25	12	25

16. Property, plant and equipment

Unit: Thousand Baht

Consolidated financial statements

	Land	Building and improvements	Airport and improvements	Aircrafts	Aircraft parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total
Cost									
1 January 2018	2,341,653	2,333,239	1,055,069	11,887,788	3,035,940	1,449,709	668,117	178,101	22,949,616
Purchase	180,691	14,191	-	1,332,815	392,266	87,860	61,652	411,101	2,480,576
Increase from purchase of investments in subsidiary	-	3,985	-	-	-	3,124	-	-	7,109
Disposal	(1,035)	(2,500)	-	(775,638)	(40,806)	(12,475)	(34,771)	(271)	(867,496)
Transfer in (out)	-	55,957	51,689	-	39,460	39,139	7,530	(193,775)	-
31 December 2018	2,521,309	2,404,872	1,106,758	12,444,965	3,426,860	1,567,357	702,528	395,156	24,569,805
Purchase	79,456	6,562	-	1,311,724	288,241	39,432	49,821	226,154	2,001,390
Disposal	-	(7,486)	-	(2,185,435)	(9,959)	(10,645)	(74,592)	-	(2,288,117)
Transfer in (out)	-	285,795	56,824	-	-	85,721	47,539	(475,879)	-
31 December 2019	2,600,765	2,689,743	1,163,582	11,571,254	3,705,142	1,681,865	725,296	145,431	24,283,078
Accumulated depreciation									
1 January 2018	-	997,738	669,432	3,600,205	1,776,144	907,439	495,772	-	8,446,730
Increase from purchase of investments in subsidiary	-	443	-	-	-	1,680	-	-	2,123
Depreciation for the year	-	142,853	38,097	545,192	326,151	152,762	60,815	-	1,265,870
Depreciation - disposal	-	(1,779)	-	(585,499)	(31,306)	(11,897)	(34,628)	-	(665,109)
31 December 2018	-	1,139,255	707,529	3,559,898	2,070,989	1,049,984	521,959	-	9,049,614
Depreciation for the year	-	153,002	41,969	562,540	331,379	149,313	65,234	-	1,303,437
Depreciation - disposal	-	(4,576)	-	(1,580,645)	(8,818)	(9,507)	(74,592)	-	(1,678,138)
31 December 2019	-	1,287,681	749,498	2,541,793	2,393,550	1,189,790	512,601	-	8,674,913
Net book value									
31 December 2018	2,521,309	1,265,617	399,229	8,885,067	1,355,871	517,373	180,569	395,156	15,520,191
31 December 2019	2,600,765	1,402,062	414,084	9,029,461	1,311,592	492,075	212,695	145,431	15,608,165
คำอธิบายรายการอื่น									
2018 (Baht 1,137 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)									1,265,870
2019 (Baht 1,182 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)									1,303,437

16. Property, plant and equipment (continue)

Unit: Thousand Baht

Separate financial statements										
	Land	Building and improvements	Airport and improvements	Aircrafts	Aircraft parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total	
Cost										
1 January 2018	2,129,277	1,442,210	1,055,069	11,887,788	1,756,251	819,095	361,986	136,847	19,588,523	
Purchase	180,691	100	-	1,332,815	245,596	66,389	24,158	169,312	2,019,061	
Disposal	(1,035)	(1,810)	-	(775,638)	-	(7,585)	(17,751)	-	(803,819)	
Transfer in (out)	-	42,227	51,689	-	-	33,313	7,530	(134,759)	-	
31 December 2018	2,308,933	1,482,727	1,106,758	12,444,965	2,001,847	911,212	375,923	171,400	20,803,765	
Purchase	79,456	66	-	1,311,724	196,506	31,652	26,045	61,384	1,706,833	
Disposal	-	(3,000)	-	(2,185,435)	-	(12,594)	(55,745)	-	(2,256,774)	
Transfer in (out)	-	27,269	56,824	-	-	18,847	-	(102,940)	-	
31 December 2019	2,388,389	1,507,062	1,163,582	11,571,254	2,198,353	949,117	346,223	129,844	20,253,824	
Accumulated depreciation										
1 January 2018	-	831,555	669,432	3,600,205	1,049,543	571,892	285,169	-	7,007,796	
Depreciation for the year	-	81,510	38,097	545,192	202,972	101,190	29,983	-	998,944	
Depreciation - disposal	-	(1,172)	-	(585,499)	-	(7,280)	(17,751)	-	(611,702)	
31 December 2018	-	911,893	707,529	3,559,898	1,252,515	665,802	297,401	-	7,395,038	
Depreciation for the year	-	82,337	41,969	562,540	216,680	92,036	27,502	-	1,023,064	
Depreciation - disposal	-	(1,864)	-	(1,580,645)	-	(12,303)	(55,745)	-	(1,650,557)	
31 December 2019	-	992,366	749,498	2,541,793	1,469,195	745,535	269,158	-	6,767,545	
Net book value										
31 December 2018	2,308,933	570,834	399,229	8,885,067	749,332	245,410	78,522	171,400	13,408,728	
31 December 2019	2,388,389	514,696	414,084	9,029,461	729,158	203,582	77,065	129,844	13,486,279	
Depreciation for the years										
2018 (Baht 919 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)										
2019 (Baht 953 million included in cost of sales and services, and the balance in selling, distribution and administrative expenses)										
									998,944	1,023,064

As at 31 December 2019, the Group has aircrafts, vehicles and equipment under finance leases which net book value amounted to approximately Baht 5,795 million (2018: Baht 6,818 million) (separate financial statements: Baht 5,757 million (2018: Baht 6,772 million)).

As at 31 December 2019, the Group has certain property and equipment which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 3,011 million (2018: Baht 2,534 million (separate financial statements: Baht 2,291 million (2018: Baht 1,878 million))).

Samui airport including its facilities is used as collateral for compliance with the terms and conditions in the lease and services from facilities agreements with a Property Fund as discussed in Note 24 to the consolidated financial statements.

As at 31 December 2019 and 2018, 9 aircrafts of the Company are under conditional sale agreements. The Company treats these conditional sale agreements as finance leases and treats the seller per the agreements as the lessor of the aircraft. The lessor of the aircraft has subleased them from the owners.

The Aircraft Lease Agreement specifies the right of the lessor to buy the aircraft from the owner. However, if the lessors do not comply with the Aircraft Lease Agreement, the owner has the right to take back the aircraft, and in that event the Company would not be able to utilise or take ownership of the aircraft, even if the Company has made the agreed payments to the lessor. Under the Aircraft Lease Agreement, the Company will take ownership of the aircraft when it pays the final installment to the lessor and the owner of the aircraft transfers ownership to the lessor.

As at 31 December 2019, the Company has registered business collateral for 4 ATR (2018: 2 ATR) aircrafts to secure the long-term loan as discussed in Note 21 to the consolidated financial statements.

17. Intangible assets

Two subsidiary companies have signed contracts with Airports of Thailand Public Company Limited (“AOT”) (which has sole right to operate Suvarnabhumi Airport), in order to engage in various projects at the Airport for 20 years from the day it opened officially (from 28 September 2006 to 27 September 2026). The subsidiaries have to pay annual benefits to AOT, in amounts not less than the minimum compensation rates set for each year, throughout the period of the concession.

Company	Project	Period
Bangkok Air Catering Co., Ltd.	Catering	20 years
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground service equipment and maintenance facilities	20 years

The rights in buildings and other components of each project are transferred to the Ministry of Finance.

The net book values of intangible assets as at 31 December 2019 and 2018 are presented below.

Unit: Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Conces- sions	Computer software	Total	Conces- sions	Computer software	Total
As at 31 December 2019						
Cost	938,197	559,749	1,497,946	-	527,427	527,427
Less: Accumulated amortisation	(615,052)	(325,185)	(940,237)	-	(301,536)	(301,536)
Net book value	323,145	234,564	557,709	-	225,891	225,891
As at 31 December 2018						
Cost	938,197	466,577	1,404,774	-	435,679	435,679
Less: Accumulated amortisation	(567,293)	(276,478)	(843,771)	-	(254,621)	(254,621)
Net book value	370,904	190,099	561,003	-	181,058	181,058

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	561,003	624,526	181,058	205,922
Increase during the year	93,172	26,850	91,748	16,809
Amortisation	(96,466)	(90,373)	(46,915)	(41,673)
Net book value at end of year	557,709	561,003	225,891	181,058

18. Other non-current assets

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Withholding tax	155,150	189,623	154,404	188,704
Others	2,407	2,407	2,287	2,287
Total	157,557	192,030	156,691	190,991

19. Short-term loans from financial institution

Unit: Thousand Baht

	Interest rate (% per annum)		Consolidated financial statements	
	2019	2018	2019	2018
Short-term loans from financial institution	4.8, MLR-1.9 and MLR-2.8	.8, 6.8, MLR and MLR-1.5	50,000	35,146
Total			50,000	35,146

Short-term loans from financial institution are secured by guarantees provided by the subsidiaries as described in Note 38.4 to the consolidated financial statements and matured within 3 months from the issue dates.

20. Trade and other payables

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables - related parties	288,809	297,034	481,300	478,928
Trade payables - unrelated parties	1,732,995	1,832,886	1,593,883	1,628,400
Other payables - related parties	15,816	15,223	16,912	14,999
Other payables - unrelated parties	1,097,824	653,192	1,003,727	530,904
Other payables for purchase of software and equipment	47,735	84,927	2,912	5,973
Total trade and other payables	3,183,179	2,883,262	3,098,734	2,659,204

21. Long-term loans

Unit: Thousand Baht

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2019	2018	2019	2018
1	LIBOR+1.625	Monthly installments as from January 2019 with the last installment in June 2031	1,381,299	1,108,903	1,381,299	1,108,903
2	THBFIX+1.65	Monthly installments as from June 2019 with the last installment in May 2031	475,689	-	475,689	-
3	MLR	Quarterly installments as from May 2016 with the last installment in February 2019	-	2,500	-	-
4	MLR-1.5	Semi-annually installments as from December 2018 with the last installment in December 2023	3,800	4,600	-	-
5	4.0, MLR-1.5	Semi-annually installments as from December 2018 with the last installment in December 2023	19,820	24,020	-	-
6	Year 1-3: 4.0 Year 4 onward: MLR-1.5	Quarterly installments as from April 2018 with the last installment in July 2024	50,420	56,320	-	-
7	4.0, MLR-1.5	Semi-annually installments as from February 2019 with the last installment in August 2023	221,000	225,000	-	-
8	MLR-1.5	Semi-annually installments as from June 2019 with the last installment in December 2023	100,000	120,000	-	-
9	4.0, MLR-1.5	Quarterly installments as from November 2017 with the last installment in August 2023	22,540	25,290	-	-
10	Year 1-3: MLR-2.25 Year 4 onward: MLR-2.125	Monthly installments as from February 2019 with the last installment in December 2025	252,300	260,000	-	-
11	THBFIX 6 months+1.5	Semi-annually installments as from June 2018 with the last installment in December 2021	150,000	225,000	-	-
12	MLR	Monthly installments as from February 2018 with the last installment in January 2025	3,855	4,470	-	-

Unit: Thousand Baht

Loan	Interest rate (%)	Repayment schedule	Consolidated financial statements		Separate financial statements	
			2019	2018	2019	2018
13	THBFIX 6 months+1.65	Semi-annually installments as from September 2020 with the last installment in September 2026	250,000	140,000	-	-
14	4.0	Quarterly installments as from April 2017 with the last installment in January 2020	4,900	21,300	-	-
15	MLR - 2.2	Semi-annually installments as from November 2020 with the last installment in November 2024	10,000	-	-	-
16	MLR - 2.225	Semi-annually installments as from September 2020 with the last installment in September 2025	38,000	-	-	-
Total			2,983,623	2,127,403	1,856,988	1,108,903
Less: Current portion			(582,931)	(248,608)	(165,573)	(92,443)
Long-term loans, net of current portion			2,400,692	1,968,795	1,691,415	1,016,460

Movement of the long - term loans 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	2,217,403	1,108,903
Add: Additional borrowings	1,118,224	960,224
Less: Repayment	(276,185)	(136,320)
Unrealised gain on exchange rate	(75,819)	(75,819)
Balance as at 31 December 2019	2,983,623	1,856,988

Long-term loans are secured by the Group as described in Note 38.4 to the consolidated financial statements and the Company has registered business collateral for 4 ATR (2018: 2 ATR) aircrafts to secure the long-term loans.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Group to maintain certain debt to equity and debt service coverage ratios according to the agreements. As at 31 December 2019, a subsidiary cannot maintain such debt to equity ratio according to the agreement. A subsidiary, therefore, classified all long-term loans amounting to Baht 252 million as current liabilities.

As at 31 December 2019, the Group has no long-term credit facilities which have not yet been drawn-down. (2018: Baht 110 million and USD 46 million (Separate financial statements: USD 46 million)).

22. Liabilities arising from finance lease of aircrafts

Liabilities arising from finance lease of aircrafts have average terms of the agreements about 12 years (effective rate from 2.49% to 4.01% (2018: 2.60% to 4.57%)).

Unit: Thousand Baht

	Consolidated and separate financial statements	
	2019	2018
Liabilities arising from finance lease of aircrafts	3,570,829	4,306,331
Less: Deferred interest expenses	(328,386)	(438,076)
Total	3,242,443	3,868,255
Less: Portion due within one year	(363,414)	(385,272)
Liabilities arising from finance lease of aircrafts - net of current portion	2,879,029	3,482,983

As at 31 December 2019 and 2018, future minimum lease payments required under the finance lease agreements were as follows:

Unit: Thousand Baht

	Consolidated and separate financial statements			
	2019			
	Less than 1 year	1 - 5 years	More than 5 years	Total
Future minimum lease payments	435,865	1,718,753	1,416,211	3,570,829
Deferred interest expenses	(72,451)	(195,574)	(60,361)	(328,386)
Present value of future minimum lease payments	363,414	1,523,179	1,355,850	3,242,443

Unit: Thousand Baht

	Consolidated and separate financial statements			
	2018			
	Less than 1 year	1 - 5 years	More than 5 years	Total
Future minimum lease payments	473,870	1,847,248	1,985,213	4,306,331
Deferred interest expenses	(88,598)	(245,315)	(104,163)	(438,076)
Present value of future minimum lease payments	385,272	1,601,933	1,881,050	3,868,255

23. Liabilities under finance lease agreements

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Liabilities under finance lease agreements	87,169	113,049	46,670	61,599
Less: Deferred interest expenses	(3,254)	(4,567)	(1,471)	(2,024)
Total	83,915	108,482	45,199	59,575
Less: Portion due within one year	(48,286)	(57,357)	(30,103)	(37,466)
Liabilities under finance lease agreements - net of current portion	35,629	51,125	15,096	22,109

The Group has entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in its operation, whereby it is 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 2019		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	50,452	36,717	87,169
Deferred interest expenses	(2,166)	(1,088)	(3,254)
Present value of future minimum lease payments	48,286	35,629	83,915

Unit: Thousand Baht

	Consolidated financial statements 2018		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	60,324	52,725	113,049
Deferred interest expenses	(2,967)	(1,600)	(4,567)
Present value of future minimum lease payments	57,357	51,125	108,482

Unit: Thousand Baht

	Separate financial statements 2019		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	31,157	15,513	46,670
Deferred interest expenses	(1,054)	(417)	(1,471)
Present value of future minimum lease payments	30,103	15,096	45,199

Unit: Thousand Baht

	Separate financial statements 2018		
	Less than 1 year	1 - 5 years	Total
Future minimum lease payments	39,069	22,530	61,599
Deferred interest expenses	(1,603)	(421)	(2,024)
Present value of future minimum lease payments	37,466	22,109	59,575

24. Long-term lease liabilities from related party

Unit: Thousand Baht

	Consolidated and separate financial statements
Balance as at 1 January 2019	11,365,272
Increase from compound interest	1,359,639
Less: Payment during year	(1,393,932)
Balance as at 31 December 2019	11,330,979
Less: Portion due within one year	(78,599)
Long-term lease liabilities from related party - net of current portion	11,252,380

On 24 November 2006, the Company entered into an agreement to lease Samui Airport, together with its facilities, to Samui Airport Property Fund (Leasehold) (the Fund) for a period of 30 years (from 24 November 2006 to 23 November 2036) for Baht 9,300 million. The Company pledged the assets leased to the Fund, with a collateral value of Baht 20,900 million, to guarantee performance in accordance with the lease agreement. Under the terms of the agreement, the Group (Bangkok Airways Public Company Limited and/or its affiliates, and/or its subsidiaries) must hold not less than 25 percent of the number of units issued and offered for sale by the Fund for the period of 20 years (from 24 November 2006 to 23 November 2026).

On the same date, the Company entered into an agreement to sublease the Samui Airport from the Fund for a period of 3 years, renewable for 9 times of 3 years each, and another agreement under which the Company is to receive utilities system service at the Samui Airport from the Fund for a period of 30 years (from 24 November 2006 to 23 November 2036). Payments on these agreements are as follows:

Sublease-	- Baht 26,125,000 per month
Utilities system service	
- Fixed	- Baht 21,375,000 per month
- Additional	- Vary based on number of departing passengers and number of arrival flights

The Company has to arrange for a bank guarantee to be issued by a commercial bank in Thailand and/or deposit cash as security in the bank account of the Fund and/or pledge of listed securities and/or other securities, such that their aggregate value is equal to 12 months of the sub-lease fee specified in Sub-Lease Agreement plus the fixed service fee specified in Utilities System Service Agreement. If listed securities and/or other securities are pledged, collateral value is not to be less than 120 percent of the pledged amount throughout the pledge period.

As at 31 December 2019, the Company has pledged common shares of Bangkok Dusit Medical Services Public Company Limited amounting to 36 million shares (2018: 36 million shares) with a fair value of Baht 927 million (2018: Baht 889 million) as collateral.

25. Other current liabilities

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deposits	290,551	243,261	213,786	180,960
Airport tax payable	208,239	308,947	208,239	308,947
Maintenance reserve	848,079	766,998	848,079	766,998
Accrued expenses	403,262	418,351	118,882	168,888
Derivative liabilities	413,963	195,297	413,963	195,297
Others	165,003	219,251	80,171	140,483
Total	2,329,097	2,152,105	1,883,120	1,761,573

26. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits at beginning of year	722,583	594,021	548,645	449,780
Included in profit or loss:				
• Current service cost	144,344	122,402	89,103	80,783
• Interest cost	23,743	14,179	20,314	11,020
• Past service cost	179,200	-	163,768	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
• Demographic assumptions changes	333	66,894	333	67,778
• Financial assumptions changes	(61,653)	(53,789)	(71,114)	(54,552)
• Experience adjustments	(24,380)	24,004	(24,379)	31,386
• Benefits paid during the year	(27,566)	(45,128)	(23,776)	(37,550)
Provision for long-term employee benefits at end of year	956,604	722,583	702,894	548,645

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 Group has additional long-term employee benefit liabilities of Baht 179 million (Separate financial statements: Baht 164 million) as a result. The Group reflects the effect of the change by recognising past service costs as expenses in the statement of comprehensive income of the current year.

The Group expects to pay Baht 44.8 million (2018: Baht 15.3 million) of long-term employee benefits during the next year (Separate financial statements: Baht 28.5 million (2018: Baht 11.7 million)).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 6.8 - 27.5 years (2018: 7.2 - 29.2 years) (Separate financial statements: 10.7 years (2018: 11.5 years)).

Significant actuarial assumptions are summarised below:

Unit: percent per annum

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.45 - 3.47	2.55 - 4.08	1.55	2.86
Salary increase rate	2.15 - 7.00	3.00 - 7.00	2.15	5.00
Turnover rate	0.00 - 32.00	0.00 - 31.00	4.00 - 8.00	4.00 - 9.00

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

Unit: Million Baht

	2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(79)	93	(63)	75
Salary increase rate	75	(65)	57	(49)
Turnover rate	(86)	95	(68)	80

Unit: Million Baht

	2018			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(63)	75	(51)	62
Salary increase rate	62	(54)	49	(42)
Turnover rate	(69)	78	(56)	67

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

28. Treasury stock

On 23 August 2018, the Board of Directors Meeting of the Company approved the share repurchase program in the amount not exceeding 40 million common shares, at a par value of Baht 1 each or less than 10 percent of the Company's paid-up share capital, at a maximum price of Baht 500 million. The share repurchase is made to maximize the benefits of the Company's excess liquidity and to increase the return on equity and the earnings per share. It is to be made through the Stock Exchange of Thailand. The repurchase period runs from 10 September 2018 to 6 March 2019. The Company may consider the resale of those repurchased shares via either the Stock Exchange of Thailand or a public offering.

Reconciliation of treasury stocks

	Number of shares (shares)	Average price per share (Baht)	Repurchase amount (Thousand Baht)
Treasury stocks			
Treasury stocks as at 1 January 2019	29,717,300	12.34	366,784
Repurchase during the year	10,282,700	12.13	124,772
Treasury stocks as at 31 December 2019	40,000,000	12.29	491,556

On 4 March 2019, the Company completed to repurchase shares as specified.

The Company set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account with such reserve to remain outstanding until either the shares are sold or paid-up capital is reduced by the cancellation of any remaining unsold shares. As at 31 December 2019, the Company has set aside approximately Baht 492 million (2018: Baht 367 million), with the Company recording the reserve as "Appropriated retained earnings - others" in the statement of financial position.

As at 31 December 2019, the market value of such treasury stock, which is calculated from the closing price in the Stock Exchange of Thailand as at last working day of the year, is approximately Baht 278 million. (2018: Baht 345 million)

29. Revenue from contracts with customers

Sales and service revenue for the years 2019 and 2018 can be disaggregated by timing of revenue recognition and type by goods or services as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue recognised over time				
• Passenger fare	18,862,114	20,258,925	18,862,526	20,259,608
• Baggage fee and other service income	3,453,235	3,445,100	980,072	1,156,018
• Freight	201,813	216,468	201,950	216,547
• Passenger service charge	547,293	598,126	547,293	598,126
Revenue recognised at a point in time				
• Sales income	1,627,946	1,565,371	-	-
Total revenue from contracts with customers	24,692,401	26,083,990	20,591,841	22,230,299

Set out below is a reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 35 to the consolidated financial statements relating to the segment information:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
External customers	23,961,552	25,155,880	19,611,220	21,073,519
Inter-segment	1,133,753	1,104,868	549	762
	25,095,305	26,260,748	19,611,769	21,074,281
Adjustments and eliminations	(1,133,753)	(1,104,868)	-	-
	23,961,552	25,155,880	19,611,769	21,074,281
Revenue that recorded as a part of other income	730,849	928,110	980,072	1,156,018
Total revenue from contracts with customers	24,692,401	26,083,990	20,591,841	22,230,299

30. Reversal of accrued concession fee

In September 2019, Bangkok Air Catering Co., Ltd. and Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd., subsidiaries, entered into amendment agreements with Airports of Thailand Public Company Limited (“AOT”) for Catering Project and Ground Service Equipment and Maintenance Facilities Project at the Suvarnabhumi Airport. The objective is to obtain assistance and remedy provided to entrepreneurs affected by Suvarnabhumi Airport shutdown due to the political conflict since the beginning of the year 2010. As both subsidiaries were affected by such incident, AOT implemented remedy measures for both subsidiaries by waving the minimum compensation and allowing them to pay the compensation based on actual revenues at the rates stipulated in the agreement from April to December 2010. In addition, AOT reduced minimum compensation since January 2011 for Bangkok Air Catering Co., Ltd. For this reason, AOT issued the credit notes to both subsidiaries totaling Baht 140 million, and the subsidiaries recorded reversal of accrued concession fee in the current year’s statement of comprehensive income.

31. Expenses by nature

Significant expenses classified by nature are as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Salary and wages and other employee benefits	6,626,536	6,349,020	4,256,451	4,212,498
Depreciation	1,323,657	1,286,090	1,048,079	1,023,959
Amortisation expenses	97,871	94,138	48,320	45,438
Rental expenses from operating lease	1,880,481	1,879,281	1,741,618	1,748,600
Fuel expenses	4,667,321	4,934,899	4,667,321	4,934,899
Repair and maintenance	3,548,593	3,515,989	3,411,678	3,390,314
Ground service expenses	1,393,014	1,342,836	1,746,824	1,846,047
Catering and passenger service expenses	698,105	775,592	1,223,978	1,301,905
Landing and parking expenses	423,397	424,725	423,397	424,725
Aeronautical radio expenses	673,785	682,398	673,785	682,398
Booking expenses	1,543,994	1,630,197	1,543,994	1,630,197
Raw materials and supplies used	673,483	648,651	-	-
Fuel for ground service equipment	64,491	64,199	-	-

32. Income tax

32.1 Deferred tax assets / liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax assets				
• Allowance for doubtful debts	-	1,023	-	-
• Allowance for diminution in value of inventories	8,204	8,384	7,849	7,854
• Accumulated depreciation - plant and equipment	583	558	-	-
• Accrued expenses	11,212	11,730	2,354	2,176
• Provision for long-term employee benefits	119,680	88,395	71,034	53,762
• Unused tax loss	-	6,188	-	6,188
Total	139,679	116,278	81,237	69,980
Deferred tax liabilities				
• Unrealised gain on re-measuring securities	4,665,483	4,892,313	3,807,283	4,075,763
• Accrued income	1,213	1,498	1,213	1,498
• Liabilities arising from finance lease of aircrafts	467,245	505,122	467,245	505,122
• Finance lease liabilities	5,826	5,763	3,371	2,894
Total	5,139,767	5,404,696	4,279,112	4,585,277
Deferred tax assets - net	59,943	41,841	-	-
Deferred tax liabilities - net	5,060,031	5,330,259	4,197,875	4,515,297

32.2 Income tax expenses (revenue)

Income tax expenses (revenue) 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	427,157	130,570	261,790	-
• Adjustment in respect of income tax of previous year	7,244	4,852	6,028	4,852
Deferred tax:				
• Relating to origination and reversal of temporary differences	(70,625)	(42,356)	(58,558)	(35,116)
Income tax expenses (revenue) reported in the statement of comprehensive income	363,776	93,066	209,260	(30,264)

Reconciliation between accounting profit and income tax expenses (revenue) is as follows:

Unit: Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit before tax	720,448	356,777	542,012	209,254
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	144,090	71,355	108,402	41,851
Adjustment in respect of income tax of previous year	7,244	4,852	6,028	4,852
Effects of:				
• Tax exempted revenue	(151,458)	(230,594)	(244,735)	(321,772)
• Non-deductible expenses	508,469	409,527	473,212	394,009
• Additional deductible expense allowed	(144,569)	(162,074)	(133,647)	(149,204)
Total	212,442	16,859	94,830	(76,967)
Income tax expenses (revenue) reported in the statement of comprehensive income	363,776	93,066	209,260	(30,264)

32.3 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the year 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 Gain (loss) on re-measuring available-for-sale investments	(225,430)	795,031	(268,480)	639,231
Actuarial gain (loss) on defined benefits plan	7,725	(2,871)	9,617	(4,371)
	(217,705)	792,160	(258,863)	634,860

As at 31 December 2019, the subsidiaries have unused tax losses totaling Baht 408 million (2018: Baht 398 million), on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow utilisation of unused tax losses. Such unused tax losses will expire by 2024 (2018: by 2023).

33. Promotional privileges

By virtue of the provisions of Investment Promotion Act, the Company was granted certain privileges by exemption from income tax for net income from promoted business for 5 - 8 years as follows:

Promotion certificate No. Air transportation operations	Description	Commencing date	Expiring date
1204(2)/2555	2 aircrafts with capacity of 306 seats	11 March 2012	10 March 2020
2019(2)/2555	1 aircraft with capacity of 162 seats	30 November 2012	29 November 2020
1208(2)/2556	7 aircrafts with capacity of 988 seats	18 May 2013	17 May 2021
2604(2)/2555	12 aircrafts with capacity of 1,154 seats	17 February 2015	16 February 2023
61-0099-1-00-1-0	1 aircraft with capacity of 144 seats	16 July 2018	15 July 2023
61-1240-1-00-1-0	1 aircraft with capacity of 70 seats	16 December 2018	15 December 2023
61-0098-1-00-1-0	1 aircraft with capacity of 144 seats	19 January 2019	18 January 2024
61-1290-1-00-1-0	1 aircraft with capacity of 70 seats	3 January 2019	2 January 2024
61-1443-1-00-1-0	1 aircraft with capacity of 70 seats	8 April 2019	7 April 2024
62-0009-1-00-1-0	1 aircraft with capacity of 70 seats	20 May 2019	19 May 2024
62-0774-1-00-1-0	1 aircraft with capacity of 162 seats	Not yet have income in 2019	

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

The Company's operating revenues for the year ended 31 December 2019 and 2018 divided between promoted and non-promoted operations, are summarised below.

Unit: Million Baht

	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Revenue						
• Passenger fare	12,255	11,984	6,608	8,276	18,863	20,260
• Others	499	386	5,622	4,100	6,121	4,486
Total revenue	12,754	12,370	12,230	12,376	24,984	24,746

34. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year.

The following table sets forth the computation of basic earnings per share:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit for the years (Thousand Baht)	350,835	249,263	332,752	239,518
Weighted average number of ordinary shares (Thousand shares)	2,060,728	2,094,607	2,060,728	2,094,607
Basic earnings per share (Baht/share)	0.17	0.12	0.16	0.11

35. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its services, and there are the following three reportable segments:

- The airline segment, which sells tickets and provides services to passengers.
- The airport segment, which provides location services for passengers and airlines.
- The supporting airline business segment, which provides ground handling, cargo and catering services for airlines and customers.

Other segments are restaurants, duty free shop and aviation training business but these operating segments do not meet the quantitative thresholds as set out in the financial reporting standard.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements. However, the Group's financing activities which give rise to including finance costs, finance income and income taxes are managed on a Group basis and are not allocated to operating segments.

The following tables present revenue and profit information regarding the Group's operating segments for the years.

Unit: Million Baht

	Airline segment		Airport segment		Supporting airline business segments		Other segments		Elimination of inter-segment revenues		Consolidated financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external customers	19,065	20,475	547	598	3,765	3,583	585	499	-	-	23,962	25,155
Inter-segment revenues	1	1	-	-	1,031	1,038	102	66	(1,134)	(1,105)	-	-
Total revenues	19,066	20,476	547	598	4,796	4,621	687	565	(1,134)	(1,105)	23,962	25,155
Segment operating profit	1,163	2,272	24	95	436	446	14	2	-	-	1,637	2,815
Unallocated income and expenses:												
• Dividend income											577	419
• Interest income											104	114
• Gain on sales of investments											1,991	385
• Gain on sales of equipment											184	51
• Gain (loss) on exchange rate											(2)	165
• Reversal of accrued concession fee											140	-
• Other income											1,651	1,654
• Selling and distribution expenses											(1,895)	(2,099)
• Administrative expenses											(2,703)	(2,075)
• Other expenses											(4)	(2)
• Share of profit from investments in associates											809	803
• Finance costs											(1,769)	(1,874)
• Income tax expenses											(364)	(93)
• Non-controlling interests of the subsidiaries											(6)	(14)
Profit for the year attributable to equity holders of the Company											350	249

The basis of accounting for any transactions between reportable segment is consistent with that for third party transactions.

Inter-segment revenues are eliminated from the consolidated financial statements.

Transfer prices between business segments are as set out in Note 7 to the consolidated financial statements.

For the years 2019 and 2018, 74 percent of total revenue from the airlines, airports and supporting airlines business segments of the Group was derived from domestic operations.

For the years 2019 and 2018, the Group have no major customer with revenue of 10 percent or more of an entity's revenues.

36. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent to 8 percent of basic salary. The fund, which is managed by MFC Assets Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to Baht 116 million (2018: Baht 111 million) were recognised as expenses.

Subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and subsidiaries contribute to the fund monthly at the rate of 3 percent to 8 percent (2018: 3 percent to 7 percent) of basic salary. The fund, which is managed by Tisco Assets Management Public Co., Ltd. and MFC Assets Management Public Co., Ltd. will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to Baht 27 million (2018: Baht 27 million) were recognised as expenses.

37. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend from the operation of the year 2017	Annual General Meeting of the shareholders on 18 April 2018	630	0.30
Dividend from the operation of the year 2018	Annual General Meeting of the shareholders on 18 April 2019	165	0.08

38. Commitments and contingent liabilities

38.1 Capital commitments

- 38.1.1 As at 31 December 2019, the Group had capital commitments of Baht 238 million and SGD 0.45 million (2018: Baht 108 million and SGD 0.45 million) (Separate financial statement: Baht 23 million and SGD 0.45 million (2018: Baht 38 million and SGD 0.45 million)) mainly relating to land purchasing and building improvement construction, and Baht 15 million and USD 0.71 million (2018: Baht 30 million and USD 0.71 million) (Separate financial statement: Baht 12 million and USD 0.5 million (2018: Baht 21 million and USD 0.71 million)) relating to acquisition of software and office equipment for operations and deposits.
- 38.1.2 As at 31 December 2018, the Company had commitments as a result of entering into a sale and purchase contract for 2 ATR aircrafts with Avions de Transport Regional G.I.E. Delivery of the aircraft is scheduled for between February and March 2019 (2019: None).

38.2 Operating lease commitments

- 38.2.1 As at 31 December 2019, future minimum lease payments required under aircraft lease agreements amount to USD 144 million. (2018: USD 159 million).
- 38.2.2 The Group has entered into several concessions agreements, rental agreements of land, office building, office equipment, ground service equipment and other service agreements. The terms of the agreements are generally between 1 year and 20 years.

As at 31 December 2019 and 2018, the Group has future minimum lease payments required under non-cancellable agreements were as follows.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable				
• In up to 1 year	927	1,179	398	549
• In over 1 year and up to 5 years	2,383	2,609	293	347
• In over 5 years	1,069	1,708	83	89

38.3 Letter of guarantees

As at 31 December 2019 and 2018, there were the following outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business of the Group.

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Letter of guarantees for land and building rental				
• THB	65.57	67.79	25.77	29.37
Letter of guarantees for purchase of aircraft fuel				
• THB	20.05	20.05	20.05	20.05
Letter of guarantees for the concessionary contract				
• THB	367.22	423.22	-	-
Letter of guarantees for payments due to creditors				
• THB	18.88	9.72	-	-
• USD	0.46	0.30	0.46	0.30
• MYR	0.02	0.02	0.02	0.02
• SGD	0.25	0.25	0.25	0.25
• BDT	1.20	1.20	1.20	1.20
• INR	30.70	26.50	30.70	26.50
Letter of guarantees for government agency projects				
• THB	1,000.00	-	1,000.00	-
• USD	0.29	-	-	-
Other letter of guarantees				
• THB	56.85	56.97	15.13	17.80
• USD	0.35	0.34	0.35	0.34
• MYR	1.00	1.00	1.00	1.00

38.4 Guarantees

38.4.1 As at 31 December 2019, the Company guaranteed bank credit facilities of its subsidiary companies amounting to Baht 977 million (2018: Baht 883 million).

38.4.2 As at 31 December 2019 and 2018, the subsidiaries had the following contingent liabilities in respect of guarantees for short-term loans from financial institutions, long-term loans, bank overdraft facilities, finance leases, letter of credit facilities, trust receipts and foreign currency forward contract facilities.

Unit: Million Baht

Guarantor	Guarantee	2019	2018
Bangkok Air Catering Co., Ltd.	BAC Gourmet House Co., Ltd.	126	192
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Samui Co., Ltd.	49	46
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Phuket Co., Ltd.	625	602
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Chiang Mai Co., Ltd.	425	568
Bangkok Air Catering Co., Ltd.	Bangkok Air Catering Don Mueang Co., Ltd.	60	-
Bangkok Airways Holding Co., Ltd.	Gourmet Primo Co., Ltd.	383	380
		1,668	1,788

38.5 Other commitments

The Company and an entity (“counterparty”) entered into a swap agreement to exchange return on investment. According to the agreement, the Company is obliged to pay a fixed amount of payment in exchange of the investments’ return in securities of the counterparty. The agreement will mature on 3 September 2020. At maturity, the counterparty may choose among options as stipulated in the agreement.

As at 31 December 2019 and 2018, the future payments required under non-cancellable agreements are as follows:

Unit: Million Baht

	Consolidated and separate financial statements	
	2019	2018
Payable in up to 1 year	36	84

38.6 Letter of credit facilities

The Company entered into a credit facilities agreement, with the branch of a foreign financial institution, granting a revolving credit facility, a guarantee facilities, and letter of credits amounting to USD 3 million. The Company has to comply with all conditions as stipulated in the agreement. As at 31 December 2019 and 2018, the undrawn portion of these credit facilities amounted to USD 0.71 million.

38.7 Interest Rate Swap Transaction agreements

As at 31 December 2019, the Company and its subsidiaries have interest rate swap agreements for principal amounting to Baht 400.0 million and USD 12.7 million (2018: USD 14.1 million) (Separate financial statements: USD 12.7 million (2018: USD 14.1 million) which are still effective. The interest rates received under these agreements are floating rate of LIBOR-ICE and the interest rates paid are fixed interest rate of 2.38 percent (2018: 2.38 percent) and the agreements will mature in April 2028 (2018: in April 2028).

38.8 Cross Currency and Interest Rate Swap agreements

As at 31 December 2019, the Company has cross currency and interest rate swap agreements amounting to USD 111.1 million (2018: USD 105.7 million) which are still effective. The interest rates received under these agreements are fixed interest rates of 2.38 to 2.60 percent (2018: 2.38 to 2.60 percent) and a floating rate of LIBOR-ICE and the interest rates paid are fixed interest rate of 1.58 to 4.015 percent (2018: 1.58 to 4.015 percent) and the agreements will mature in November 2026 to December 2030 (2018: in November 2026 to April 2029).

39. Litigations

The Company

- 39.1 In May 2016, an airline filed a lawsuit against the Company with Thai Civil Court alleging that the Company's aircraft was not parked at the suitable location resulting in a collision during the plaintiff's aircraft taxiing at Yangon International Airport, Myanmar causing damages to the left wing of the plaintiff's aircraft and the delay of the plaintiff's flight. The plaintiff therefore claimed the damages totaling USD 180,000.14. This incident is covered by the Aviation Insurance Policy. The Company has informed the insurance company of the incident and the insurer has appointed a law firm to defend the claim on behalf of the Company. Subsequently, on 28 July 2016, the Company filed an answer that the Company's aircraft was not parked in an inappropriate location, but it was parked to follow orders from officials of Yangon International Airport air traffic control. The Company therefore countersued the plaintiff claiming damages of USD 5,382,320.27. Subsequently, on 27 December 2018, the Thai Civil Court dismissed both the plaintiff's case and the Company's countersued since such claims are barred by prescription. Subsequently, on 30 August 2019, the airline filed on appeal to the Appeal Court. Therefore, on 2 February 2020, the Company has been notified to receive the judgement and/or order of the Appeal Court on 24 March 2020.

- 39.2 In August 2019, the Company was sued by its former employee, claiming damages from violation and breaching of employment contract including other compensations totaling of Baht 43.3 million together with the interest thereon at the rate of 15 percent per annum. Currently, the case is being considered by the Central Labour Court and the Court scheduled for defendant's witness examination on 25 - 26 February 2020 and plaintiff's witness examination on 28 February 2020.

Subsidiaries

- 39.3 As at 31 December 2018, a subsidiary has legal cases as it was sued by its former employees ("Plaintiff"), claiming severance payment, compensations, and other damages totaling of Baht 34.3 million. During the current year, the Supreme Court did not permit the plaintiff to file an appeal and dismissed the plaintiff's petition totaling of Baht 19.1 million. So, as at 31 December 2019, a subsidiary has legal cases as it was sued by its former employees totaling of Baht 15.2 million. Currently, the cases are being considered by the Court of Appeal for Specialized Cases. However, the subsidiary's management has set aside provisions for liabilities arising as a result of these cases of Baht 1.0 million and it believes that the provisions made in the accounts are adequate to cover any losses that may arise from these cases.
- 39.4 In December 2018, a subsidiary filed a lawsuit against a company through the Civil Court for breaching of early terminated sub-lease agreement. Subsequently, in March 2019, the plaintiff filed a petition by denying the indictment and countersued for claiming the compensation from a subsidiary amounting to Baht 15.6 million together with the interest thereon at the rate of 7.5 percent per annum. Currently, the case is being considered by the Civil Court and the Court informed the schedule for plaintiff's witness examination on 26 - 27 May 2020.
- 39.5 In February 2019, a subsidiary was sued by its 2 former employees, claiming severance payment totaling of Baht 38.3 million together with the interest thereon at the rate of 7.5 and 15 percent per annum. Currently, the Court scheduled for mediation but the mediation was failed. Therefore, the Court rescheduled for mediation during 7 - 8 May 2020 and 4 - 5 June 2020.

40. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

Unit: Million Baht

	Consolidated financial statements 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments Equity instruments	28,510	-	-	28,510
Assets for which fair value is disclosed				
Investments in associate that is listed companies	6,476	-	-	6,476
Investment properties	-	-	457	457
Derivatives - Fuel price swap agreements	-	-	27	27
Liabilities for which fair value is disclosed				
Derivatives - Equity swap agreement	-	-	161	161
Derivatives - Interest rate agreements	-	-	13	13
Derivatives - Cross currency and interest rate swap agreements	-	-	518	518

Unit: Million Baht

	Consolidated financial statements 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments Equity instruments	29,735	-	-	29,735
Assets for which fair value is disclosed				
Investments in associate that is listed companies	6,533	-	-	6,533
Investment properties	-	-	437	437
Derivatives - Interest rate swap agreement	-	-	19	19
Liabilities for which fair value is disclosed				
Derivatives - Fuel price agreement	-	-	558	558
Derivatives - Equity swap agreements	-	-	115	115
Derivatives - Cross currency and interest rate swap agreements	-	-	192	192

Unit: Million Baht

	Separate financial statements 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments Equity instruments	23,232	-	-	23,232
Assets for which fair value is disclosed				
Investments in associate that is listed companies	6,476	-	-	6,476
Investment properties	-	-	876	876
Derivatives - Fuel price swap agreements	-	-	27	27
Liabilities for which fair value is disclosed				
Derivatives - Equity swap agreement	-	-	161	161
Derivatives - Interest rate agreements	-	-	1	1
Derivatives - Cross currency and interest rate swap agreements	-	-	518	518

Unit: Million Baht

	Separate financial statements 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments Equity instruments	24,671	-	-	24,671
Assets for which fair value is disclosed				
Investments in associate that is listed companies	6,533	-	-	6,533
Investment properties	-	-	845	845
Derivatives - Fuel price swap agreements	-	-	19	19
Liabilities for which fair value is disclosed				
Derivatives - Fuel Price agreement	-	-	558	558
Derivatives - Equity swap agreements	-	-	115	115
Derivatives - Cross currency and interest rate swap agreements	-	-	192	192

During the current year, there were no transfers within the fair value hierarchy.

41. Financial instruments

41.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, restricted bank deposits, loans to, investments, trade and other payables, short-term loans, long-term loans, liabilities arising from finance lease of aircrafts, finance lease liabilities and long-term lease liabilities from related party. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables and loans to. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans to as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans to, short-term loans and long-term loans with interest. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2019 and 2018, 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.

Consolidated financial statement 2019							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	1,131	4,142	5,273	Note 8
Current investments	4,046	-	-	-	-	4,046	Note 9
Trade and other receivables	-	-	-	-	1,535	1,535	-
Restricted bank deposits	3	-	-	1	-	4	0.37 - 0.90
Other long-term investments	-	-	-	-	29,051	29,051	-
Financial liabilities							
Short-term loans from financial institution	-	-	-	50	-	50	Note 19
Trade and other payables	-	-	-	-	3,183	3,183	-
Long-term loans	39	213	288	2,444	-	2,984	Note 21
Liabilities arising from finance lease of aircrafts	363	1,523	1,356	-	-	3,242	Note 22
Finance lease liabilities	48	36	-	-	-	84	1.8 - 6.47
Long-term lease liabilities from related party	79	632	10,620	-	-	11,331	12.64

Consolidated financial statement 2018							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	848	3,500	4,348	Note 8
Current investments	3,300	-	-	-	-	3,300	Note 9
Trade and other receivables	-	-	-	-	1,713	1,713	-
Restricted bank deposits	4	-	-	-	-	4	0.37 - 0.90
Other long-term investments	-	-	-	-	30,270	30,270	-
Financial liabilities							
Short-term loans from financial institution	3	-	-	32	-	35	Note 19
Trade and other payables	-	-	-	-	2,883	2,883	-
Long-term loans	24	252	140	1,801	-	2,217	Note 21
Liabilities arising from finance lease of aircrafts	385	1,602	1,881	-	-	3,868	Note 22
Finance lease liabilities	57	51	-	-	-	108	1.8 - 6.47
Long-term lease liabilities from related party	34	545	10,786	-	-	11,365	12.64

Separate financial statement 2019							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	681	4,037	4,718	Note 8
Current investments	4,000	-	-	-	-	4,000	Note 9
Trade and other receivables	-	-	-	-	949	949	-
Other long-term investments	-	-	-	-	23,772	23,772	-
Long-term loans to related parties	-	-	-	101	-	101	MLR - 1
Financial liabilities							
Trade and other payables	-	-	-	-	3,099	3,099	-
Long-term loans	-	-	-	1,857	-	1,857	Note 21
Liabilities arising from finance lease of aircrafts	363	1,523	1,356	-	-	3,242	Note 22
Finance lease liabilities	30	15	-	-	-	45	3.75 - 4.65
Long-term lease liabilities from related party	79	632	10,620	-	-	11,331	12.64

Separate financial statement 2018							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	398	3,417	3,815	Note 8
Current investments	3,300	-	-	-	-	3,300	Note 9
Trade and other receivables	-	-	-	-	1,140	1,140	-
Other long-term investments	-	-	-	-	25,206	25,206	-
Long-term loans to related parties	-	-	-	105	-	105	MLR-1
Financial liabilities							
Trade and other payables	-	-	-	-	2,659	2,659	-
Long-term loans	-	-	-	1,109	-	1,109	Note 21
Liabilities arising from finance lease of aircrafts	385	1,602	1,881	-	-	3,868	Note 22
Finance lease liabilities	38	22	-	-	-	60	3.75 - 5.15
Long-term lease liabilities from related party	34	545	10,786	-	-	11,365	12.64

41.2 Foreign currency risk

As at 31 December 2019 and 2018, the Group's balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
BDT	427	790	-	-	0.36	0.39
CNY	7	13	1	3	4.31	4.72
EUR	3	8	1	1	33.73	37.13
GBP	-	1	-	-	39.52	41.07
HKD	9	8	4	4	3.87	4.14
INR	148	144	11	15	0.42	0.46
SGD	3	2	-	-	22.32	23.69
USD	180	152	127	101	30.15	32.45
VND	24,868	36,136	101	18	0.001	0.001
ZAR	9	-	-	-	2.15	2.24

Foreign currencies	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
BDT	427	790	-	-	0.36	0.39
CNY	7	13	1	3	4.31	4.72
EUR	3	8	1	1	33.73	37.13
GBP	-	1	-	-	39.52	41.07
HKD	9	8	4	4	3.87	4.14
INR	148	144	11	15	0.42	0.46
SGD	3	2	-	-	22.32	23.69
USD	178	152	110	99	30.15	32.45
VND	24,868	36,136	101	18	0.001	0.001
ZAR	9	-	-	-	2.15	2.24

41.3 Fuel Price Risk

Fuel price fluctuation depends on supply and demand of global economic situation and political uncertainty worldwide. Fuel price has direct impact on the Company's operating result as fuel plays a vital factor in airline industry.

The Company has implemented jet fuel price hedging in order to reduce the risk of fuel price volatility, to protect the value of the Company for shareholders and all concerned and is not to be treated as a profit-marking venture.

This was in accordance with the Company's policy, specifying that fuel hedging be conducted on a regular basis at not lower than 50 percent and not more than 70 percent of annual fuel consumption. Whereby the tenor of each contract would be for a period of not more than 12 months. The Company selected a financial tool that was suitable for the market situation by establishing the lowest and highest prices of jet fuel, whereby the Company would incur the difference in USD currency, should the price of jet fuel falls below the lowest price. On the contrary, the Company would be compensated should the price of jet fuel rises higher than the highest price.

As at 31 December 2019, the Company has obligation from fuel price hedging until December 2020 amounting to 960,000 barrels (2018: until December 2019 amounting to 1,020,000 barrels) of jet fuel whereby the contract prices are between USD 71.35 per barrel and USD 95 per barrel (2018: between USD 74 per barrel and USD 100 per barrel).

41.4 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or loans to and loans from which carrying interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in the statement of financial position except fuel price swap agreements, equity swap agreement, interest rate swap agreements and cross currency and interest rate swap agreements.

As at 31 December 2019 and 2018, the estimated fair value of the derivatives is as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	Fair value			
	Gain (loss)			
	2019	2018	2019	2018
Derivatives				
Fuel price swap agreements	27	(558)	27	(558)
Equity swap agreement	(161)	(115)	(161)	(115)
Interest rate swap agreements	(13)	19	(1)	19
Cross currency and interest rate swap agreements	(518)	(192)	(518)	(192)

The fair value for derivatives of the Group has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates, forward rates of foreign currencies, interest rate yield curves and commodity price yield curves.

42. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 1.06:1 (2018: 1.02:1) and the Company's was 0.94:1 (2018: 0.90:1).

43. Other information

On 21 March 2019, the Company and 2 investors have submitted the proposal to Royal Thai Navy in order to invest in Eastern Airport City. This project is a public private partnership. Subsequently, on 31 January 2020, the company was notified the consideration result and invited to negotiate the draft investment agreement and other agreements related to such project that must be completed in March 2020. On 13 February 2020, the Company has set up new joint venture named "U-tapao International Aviation Co., Ltd." for engaging in the airport business and other services incidental to airport business in accordance with the prerequisites of the joint agreement.

44. Events after the reporting period

The Company

- On 24 February 2020, a meeting of the Board of Directors of U-tapao International Aviation Co., Ltd. approved to call up 25 percent of issued share capital or Baht 25 per share from shareholders. This constitutes a total called up capital of Baht 1,125 million. The Company will pay such payment of Baht 506 million according to the Company's proportion (holding 45 percent).
- On 27 February 2020, a meeting of the Board of Directors of the Company approved to purchase or exchange of land near Sukhothai Airport, approximately 882 Rai, with The Sahakol Estate Co., Ltd. (the related company) totaling of Baht 247 million by exchanging of the Company's land near Sukhothai Airport, approximately 142 Rai, totaling of Baht 43 million. In this regard, the Company will pay the excess totaling of Baht 204 million which the Company must comply with the payment condition stipulated in the agreements.
- On 27 February 2020, a meeting of the Board of Directors of the Company passed the resolution to propose for consideration and approval by the Annual General Meeting of the Shareholders the payment of a dividend for the year 2019 of Baht 0.10 per share or totaling of Baht 206 million.

Subsidiary

On 7 February 2020, a meeting of the Board of Directors of Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd. approved the resolutions for the interim dividend payment for the year 2019 of Baht 1.00 per share, amounting to Baht 67 million. The subsidiary has already paid such dividend on 24 February 2020.

45. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2020.

Bangkok Airways Offices

Domestic

- **Head Office**

99 Moo 14, Vibhavadirangsit Rd., Chom Phon,
Chatuchak, Bangkok 10900 Thailand

Reservation Center: 1771

Tel: +66 (2) 270 6699

Fax: +66 (2) 265 5556

Sales Tel: +66 (2) 265 5678

Fax: +66 (2) 265 5522

E-mail: reservation@bangkokair.com

- **Bangkok Airport Office**

Suvarnabhumi International Airport
Passenger Main Terminal, 6th Floor, Row F
999 Moo 10, Bangna-Trat Rd., RachaThewa,
Bang-Phli Samutprakan 10540 Thailand

Tel: 1771

Fax: +66 (2) 134 3895

E-mail: reservation@bangkokair.com

- **Chiang Mai Airport Office**

1st Floor, Chiang Mai International Airport,
Chiang Mai 50000 Thailand

Tel: +66 (53) 281 519 ext 11/14

Fax: +66 (53) 281 519 ext 18

E-mail: cnxrpg@bangkokair.com

- **Chiang Mai Town Office**

Kantary Terrace, Room A & B
44/1 Nimmanhaemin Road, Soi12,
Suthep, Muang, Chiang Mai 50200
Thailand

Tel: +66 (53) 289 338-9

Fax: +66 (53) 289 340

E-mail: cnxtpg@bangkokair.com

- **Chiang Rai Airport Office**

Mae Fah Luang International Airport
404 Ban Du Muang, Chiang Rai 57100
Thailand

Tel: +66 (53) 793 006

Fax: +66 (53) 789 266

E-mail: ceirrp@bangkokair.com

- **Chiang Rai Town Office**

897/9 Phahonyothin Rd.,
Wiang Muang, Chiang Rai 57000
Thailand

Tel: +66 (53) 715 083

E-mail: ceitopg@bangkokair.com

- **Mae Hong Son Airport Office**

Mae Hong Son Airport
Niwet Phisan Road, Muang,
Mae Hong Son 58000

Tel: +66 (53) 611 426

Fax: +66 (53) 611 425

E-mail: hgnrrp@bangkokair.com

- **Lampang Airport Office**

Lampang Airport
175 Sanarmbin 1 Rd., Phrahaht,
Lampang 52000 Thailand

Tel: +66 (54) 821-522

Fax: +66 (54) 821-521

E-mail: lprrp@bangkokair.com

- **Samui Airport Office**

99 Moo 4 , Bo Phud, Koh Samui,
Suratthani 84320 Thailand

Operator Tel: +66 (77) 428 500

Ticketing Tel: +66 (77) 428 555

Fax: +66 (77) 601 162

E-mail: usmrrp@bangkokair.com

- **Samui Chaweng Office**

54/4 Moo 3, Bo Phud, Koh Samui,
Suratthani 84320 Thailand

Reservation Center:

Tel: +66 (77) 601 300

Fax: + 66 (77) 422 235

E-mail: usmtopg@bangkokair.com

- **Phuket Airport Office**

Phuket International Airport
3rd Floor, Phuket 83000 Thailand

Tel: +66 (76) 205 400-2

Fax: +66 (76) 327 114

E-mail: hktrrpg@bangkokair.com

- **Phuket Town Office**

158/2-3 Yaowaraj Rd.,
Phuket 83000 Thailand

Tel: +66 (76) 225 033-5

Fax: +66 (76) 356 029

E-mail: hkttopg@bangkokair.com

- **Krabi Airport Office**

Krabi International Airport
Building 1, 3rd Floor, 133 Mu 5,
Nuaklong, Krabi 81130 Thailand

Tel: +66 (75) 701 608-9

Fax: +66 (75) 701 607

E-mail: kbvrrpg@bangkokair.com

- **Krabi Town Office**

2 City Plaza, Maharaj Soi 10,
Paknam, Muang, Krabi 81000 Thailand

Tel: +66 (75) 612 650-51

Fax: +66 (75) 612 672

E-mail: kbvtopg@bangkokair.com

- **Hat Yai International Airport Office**

99 Moo 3, Klong La, Klong Hue Kong
Songkha 90115 Thailand

Tel: +66 (0) 7422 7427

Fax: +66 (0) 7422 7426

E-mail: hdykkpg@bangkokair.com

- **Sukhothai Airport Office**

99 Moo 4, Klongkrajong, Sawankaloke,
Sukhothai 64110 Thailand

Tel: +66 (55) 647 224

Fax: +66 (55) 647 222

E-mail: thsrrpg@bangkokair.com

- **Trat (Koh Chang) Office**

9/8/5 Moo 4, Koh Chang,
Trat 23170 Thailand

Tel: +66 (39) 551 654-5

Fax: +66 (39) 551 656

E-mail: tdxtopg@bangkokair.com

- **Trat Airport Office**

99 Moo 3, Tasom, Khao Saming,
Trat 23150 Thailand

Tel: +66 (39) 525 767-68

Fax: +66 (39) 525 769

E-mail: tdxrrpg@bangkokair.com

- **Pattaya Town Office**

Fairtex Arcade Room A5
212/5 Moo 5, North Pattaya Rd.,
Naklua, Banglamung,
Chonburi 20260 Thailand

Tel: +66 (38) 412 382

Fax: +66 (38) 411 965

E-mail: pyxrrpg@bangkokair.com

- **Pattaya Airport Office**

U-Tapao International Airport
70 Moo 2, Pla, Banchang,
Rayong 21130 Thailand

Tel: +66 (38) 245 599

Fax: +66 (38) 245 979

E-mail: utprpg@bangkokair.com

International

- **Singapore Airport Office**

Bangkok Airways Public Company Limited
Changi Airport Terminal 1, unit 041-04F,
Singapore 819142

Tel: +65 6545 8481

Fax: +65 6546 8982

E-mail: sinkkpg@bangkokair.com

- **Singapore Town Office**

Bangkok Airways Public Co., Ltd. (SG Branch)
111 Somerset Road, Triple One Somerset,
#11-06A, Singapore 238164

Tel: +65 6738 0063

Fax: +65 6738 8867

E-mail: sinrrpg@bangkokair.com

- **Kuala Lumpur Airport Office**

Lot S5, Level 4 Main Terminal Building,
Kuala Lumpur International Airport, 64000
Selangor Darul Ehsan, Malaysia

Tel: +60 387763670-71

Fax: +60 387763673

KULKKPG Mobile No: +60 123018599,
+60 183276104

E-mail: Kulkkpg@bangkokair.com

- **Mumbai Airport Office**

Chatrapati Shivaji International Airport (CSIA)
Office No. W-83091, 3rd Floor Terminal 2

Tel: +91 22 6685 9034

Fax: +91 22 6685 0935

E-mail: bomkkpg@bangkokair.com

- **Luang Prabang International Airport Office**

Luang Prabang International Airport
(International Terminal)
Hat Hien, Ban Hat Hien
Luang Prabang, Lao PDR

Tel: +856 (71) 253 253

Fax: +856 (71) 253 253

- **Luang Prabang Town Office**

57/6 Srisawangwong Rd.,
District 3, Bann Xiengmuan,
Luang Prabang, Lao PDR

Tel: +856 (71) 253 334

Fax: +856 (71) 253 335

E-mail: lpqrrpg@bangkokair.com

- **Vientiane Airport Office**

Wattay-Vientiane International Airport
Level 1, International Terminal,
Souphanouvong RD., Sikhottabong district,
Vientiane, Lao P.D.R.

Tel: (856-21) 513 170

Fax: (856 21) 513 710

Hotline: 8231

E-mail: vtekkpg@bangkokair.com

- **Mandalay Airport Office**

Mandalay International Airport (TaDaOo)
Bangkok Airways PCL. Office 2nd Floor,
Departure Area Mandalay,
Republic of the Union of Myanmar

Tel: +95 2 27082

Fax: +95 2 27083

- **Yangon Airport Office**

Room No. 14/15 Departure Terminal,
Yangon International Airport, Yangon,
Republic of the Union of Myanmar

Tel & Fax: +95 (1) 533 194

- **Vientiane Town Office**

Lao Plaza Hotel
63 Samsenthai Road, Shop B,
Xiengyeun village, Chanthabouly district,
Vientiane Lao PDR

Tel: +856 (21) 242 557, +856 (21) 242 559

Fax: +856 (21) 242 818

- **Mandalay Town Office**

Building no.14, 78 Street,
Chanayetharzan Township, Mandalay,
Republic of the Union of Myanmar

Tel: +95 2 36323, +95 2 69387

E-mail: mdlrrpg@bangkokair.com

- **Yangon Town Office**

0305 3rd Fl., Sakura Tower
339 Bogyoke Aung San Rd., Kyauktada Township,
Yangon, Republic of the Union of Myanmar

Tel: +95 (1) 255 122, +95 (1) 255 265

Fax: +95 (1) 255 119

E-mail: rgnrrpg@bangkokair.com

- **Nay Pyi Taw Airport Office**

Unit # I2 & I3, International Departure,
Leway Township, Nay Pyi Taw,
Republic of the Union of Myanmar

Tel: (+95) 67 8109054

E-mail: nytrrpg@bangkokair.com

- **Da Nang International Airport Office**

2nd Floor, Passenger Terminal,
Da Nang International Airport,
Da Nang City, Vietnam

Tel: (+84) 90 199 0666

E-mail: anusorndam@bangkokair.com,
dadkkpg@bangkokair.com

- **Phu Quoc Station**

Duong to Commune, Phu Quoc Island,
Kien Giang Province, Vietnam

Tel: (+84) 16 9820 0915

E-mail: packkpg@bangkokair.com

- **Hanoi Office**

4F, 9 Dao Duy Anh Tower,
Dong Da Dist., Hanoi, Vietnam

Tel: +84 24 3934 7239

Fax: +84 24 3577 2218

E-mail: pg.han@transviet.com

- **Nha Trang International Airport Office**

T2, FL2, Cam Nghia Ward,
Cam Ranh City, Khanh Hoa Province,
Viet Nam

Tel: (+84) 88 9186765

E-mail: cxrkk@bangkokair.com

- **Siem Reap Town Office**

28, 29 Eo, St. Sivutha, Phum Modol II,
Sangkat Svay Dangkum,
Srok/Khet, Siem Reap, Cambodia

Tel: +855 (23) 971 771, +855 (63) 965 422-3

Fax: +855 (63) 965 424

Email: reprrpg@bangkokair.com

- **Siem Reap Airways International Office**

28, 29 Eo, St. Sivutha, Phum Mobol II, Sangkat Svay Dang Kum, Srok/Khet, Siem Reap, Cambodia

Tel: +855 63 965 427-8

Fax: +855 63 965 425

- **Phnom Penh Airport Office**

Confederation De La Russie St.110, Phnom Penh International Airport, Phnom Penh, Cambodia

Tel: +855 (23) 890 103, +855 (23) 971 771

Fax: +855 (23) 890 518

E-mail: pnhrpg@bangkokair.com

- **Phnom Penh Town Office**

No. 61A, 214 Sangkat Beong Rang, Khan Don Penh, Phnom Penh, Cambodia

Tel: +855 (23) 971 771, +855 (23) 966 556-8

Fax: +855 (23) 966 554

E-mail: pnhrpg@bangkokair.com

- **Hong Kong Town Office**

Suite 912, 9th Floor, Ocean Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong

Tel: +852 2899 2597, +852 2899 2634

Sales Tel: +852 2840 1248, +852 2899 2607

Fax: +852 2537 4567

E-mail: hkgrpg@bangkokair.com

- **Chengdu International Airport**

Chengdu Shuangliu International Airport Shuangliu, Chengdu, Sichuan, China

Tel: +86 182 8455 8721

E-mail: ctukkpg@bangkokair.com

- **Chongqing Airport Office**

Terminal 1, Chongqing Jiangbei International Airport, Yubei, Chongqing, China

Tel: +86 182 8455 8722

E-mail: ckgkpg@bangkokair.com

- **Guilin Town Office**

No. 41, Binjiang Road, Guilin 541002, P.R. China

- **European Regional Office**

Bethmannstrasse 58
D-60311, Frankfurt/Main, Germany

Tel: +49 (69) 133 77 565-6

Fax: +49 (69) 133 77 567

E-mail: info@bangkokairways.de





ASIA'S BOUTIQUE AIRLINE



Annual Report 2019
Bangkok Airways Public Company Limited